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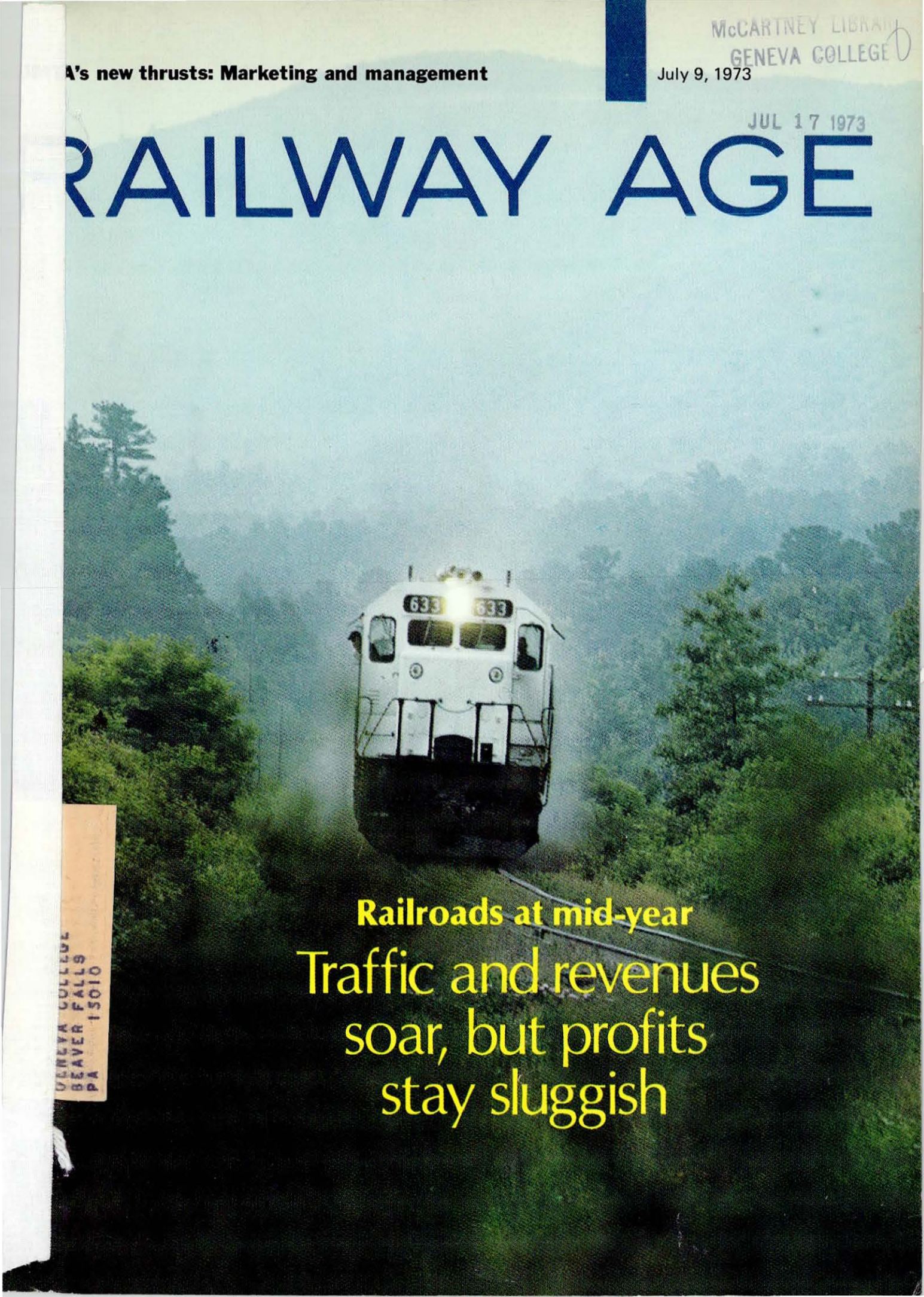
A's new thrusts: Marketing and management

July 9, 1973

JUL 17 1973

RAILWAY AGE



Railroads at mid-year

Traffic and revenues soar, but profits stay sluggish

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These are only a few of our activities and capabilities. We make the "stop" and "go" of our customers car fleets as efficient and productive as possible. We're the WABCO Transportation Systems Group, Westinghouse Air Brake Company, Three Gateway Center, Pittsburgh, Pa. 15222.

Transportation from the word go!

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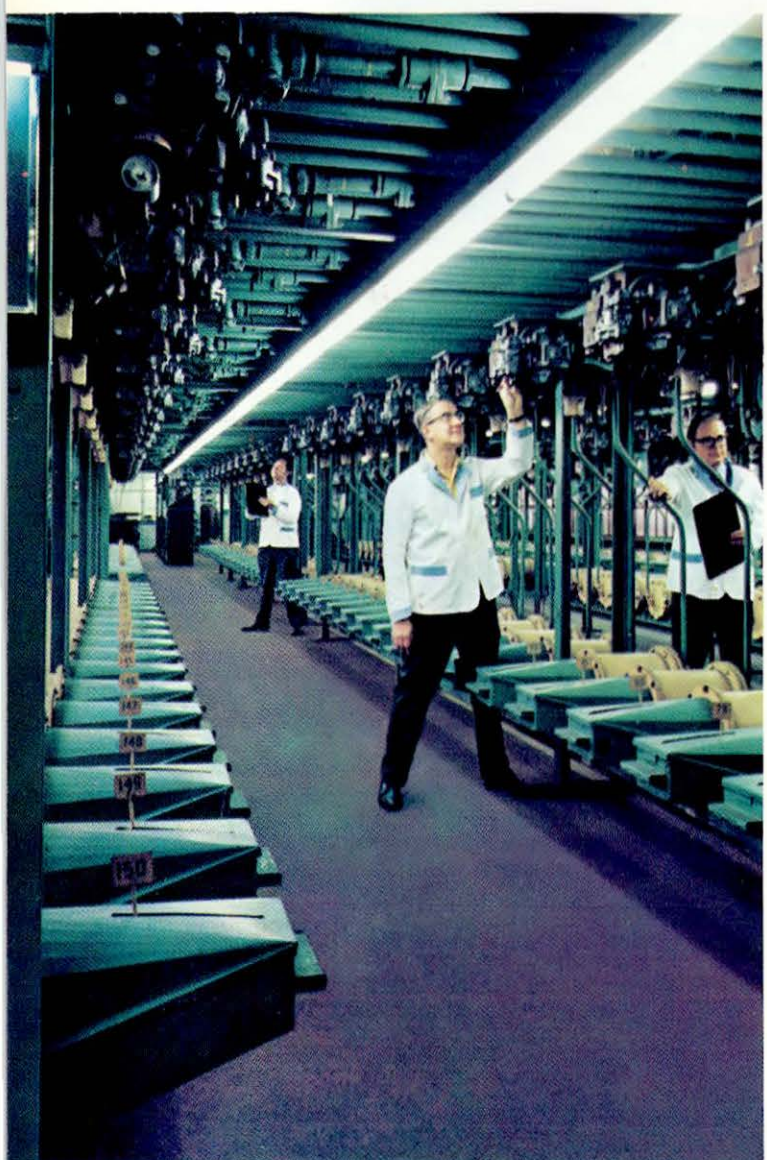

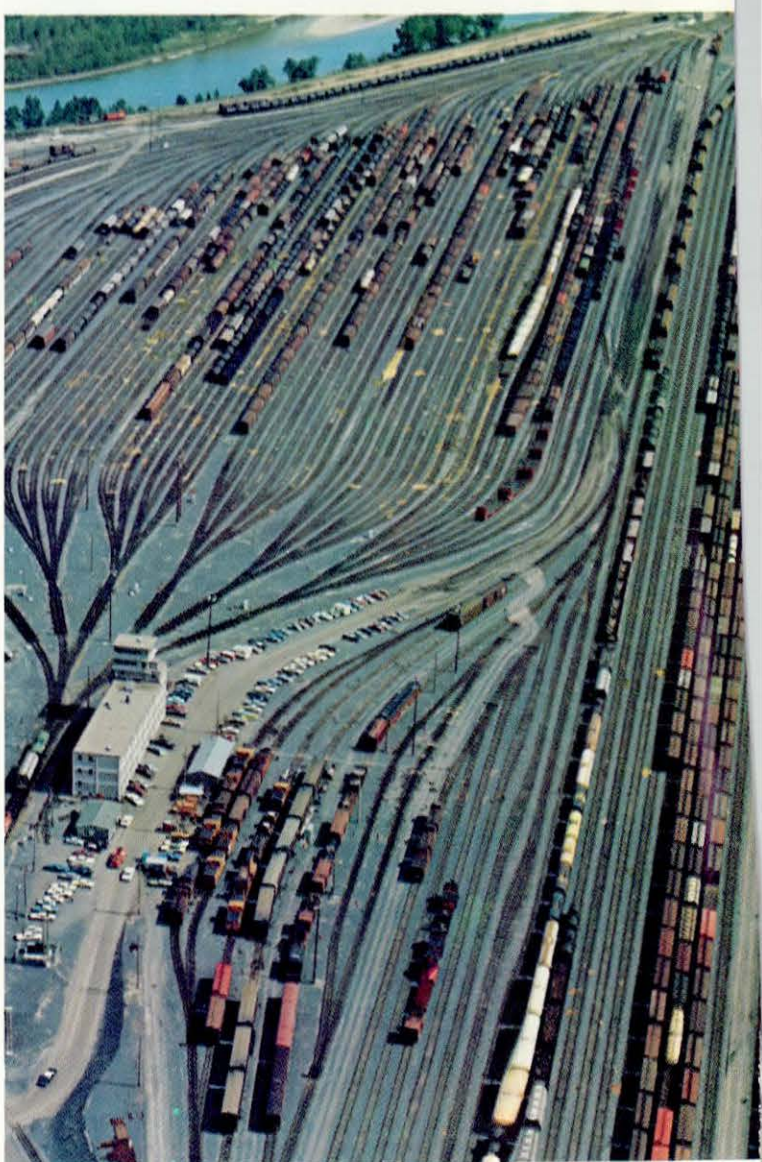

The WABCO Transportation Systems Group is: Union Switch & Signal Division, Westinghouse Air Brake Division, WABCO, Ltd., Cardwell Westinghouse Company, Freios e Sinais do Brasil, S.A. In Transportation, WABCO is also 17 European operations and licensees and agents throughout the world.

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Even in a yard as big as this one you can speed the work—and lower construction costs—with Bethlehem Panelized Switches.

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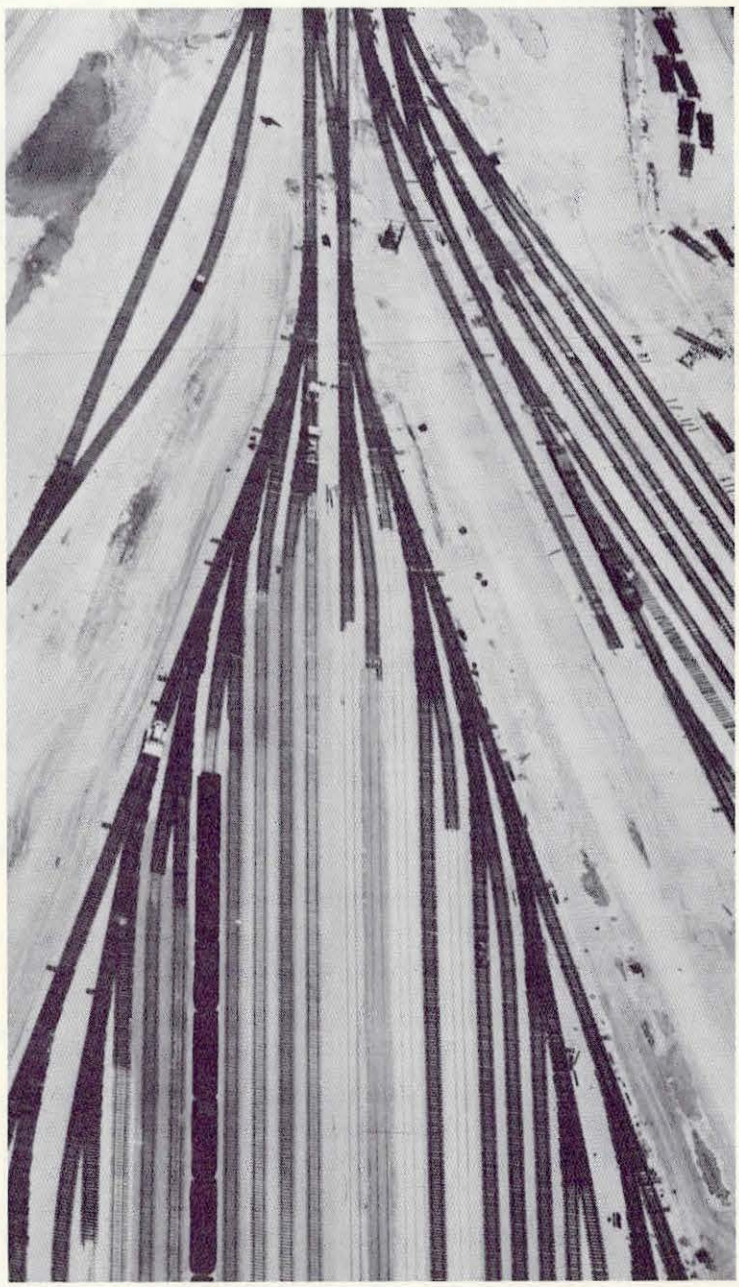
We can also furnish all material needed beyond each switch to complete the turnout, thus bringing everything to the site together. Write for our Folder 2445 for details. Bethlehem Steel Corporation, Bethlehem, PA 18016.



Photograph courtesy of Acme Construction Inc., Cleveland, Ohio.

Bethlehem

The more you learn about rapid-transit battery systems the more you'll think of Exide®

1. The positive advantages of pocket plates in nickel-cadmium batteries.

It's difficult to imagine how a rapid-transit system could operate without batteries. They provide the trains with current needed at intermittent periods. They make it possible for relays to control vital switchgear and signal lights. And they stand ready to supply life-saving current in emergency situations.

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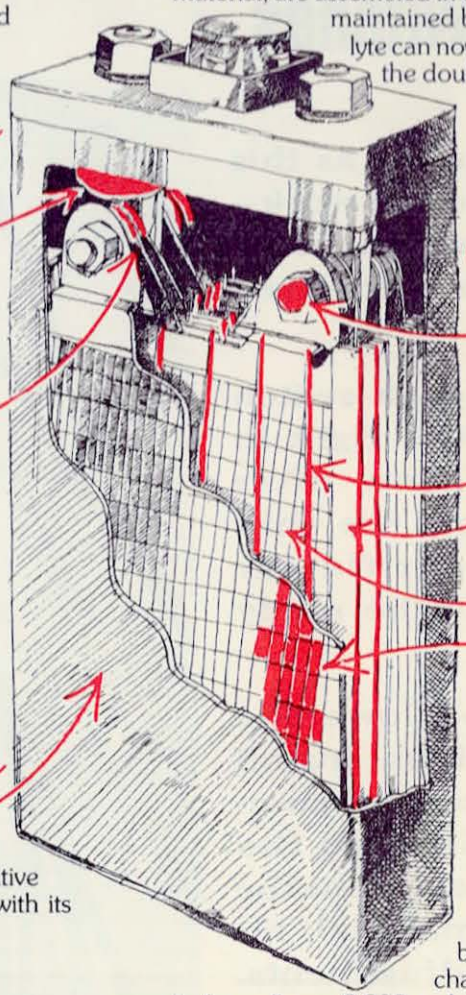
Just a look at the nickel-cadmium alkaline battery tells you it's made to last. A durable container of steel or poly-vinyl chloride. Perforated, steel pocket positive and negative plates with rugged steel U-frames to prevent loss of active material. Solid plastic separators to maintain plate spacing and stop cell shorts. Steel washers on steel conductor rods to keep the plates firmly in place. All tightly locked together to massive cylindrical posts. Once assembled, the nickel-cadmium battery is rugged enough to keep operating under any conceivable rapid-transit situation. There are two positive plate designs you can choose for this battery, each with its own distinct advantages.



Single-pocket positive plates provide light-to-medium discharges.

In a nickel-cadmium battery, a negative plate has a greater discharge capacity than a positive plate with the same amount of surface area. This difference can be overcome by having more positive than negative plates and by increasing the surface area of each positive plate. All Exide/Alcad pocket plate nickel-cadmium batteries use more positive than negative plates. But the single-pocket positive plate is not constructed to increase its surface area relative to the negative plate. The active material is simply locked inside single pockets of finely perforated steel. Since this surface area is no larger than the negative plate, a balance is established between the two that makes the single pocket approach correct for rapid-transit applications where medium discharge rates and light-to-moderate duty are involved.

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To match the discharge capacity of the negative plate, the Exide/Alcad double-pocket approach actually doubles the surface area of the positive plate. Two sheets of single-pocket plates, each containing their active material, are assembled in a single frame with a space maintained between them. The electrolyte can now circulate on either side of the double-pocket plate, as well as between the two sheets of pockets. This tremendous increase in square inches of surface area allows the double-pocket positive to match its discharge capacity to the negative plate. Because of this, the battery can handle deep discharges up to 80% of its rated capacity for well over 2,000 cycles. These features make the double-pocket battery a perfect choice for all heavy-duty rapid-transit applications.

Exide pocket plate batteries and modern rapid-transit systems.

Today's growing rapid-transit systems need a battery that can stand up to the punishing demands of high-speed rail transportation. At the same time, a battery must offer a wide choice of discharge capacities to cover all the varied rapid-transit applications.

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July 9, 1973 • Vol. 174 No. 13

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Inside

LUTHER MILLER

A MORAL AT MIDYEAR

It is by coincidence that this issue of Railway Age contains both a short item on the state of Britain's railways (Watching Washington, p. 13) and a far longer report, beginning on p. 26, on the state of our own railroads at midyear '73. But for those who want to draw a useful moral at midyear, the coincidence is a convenient one.

Watching Washington reports, simply enough, that British Rail continues to operate at staggering losses, and that as a result of this moves are under way to further trim the system, which is already hardly half as big as Penn Central. The story is an old one: Britain neglected its railways until takeover seemed to be the only alternative; and takeover proved to be a far from totally satisfactory answer.

The report which starts on p. 26 is about the world's largest remaining privately owned railway system—which despite its horrendous problems, continues to establish new records as the transportation workhorse of the U.S., and even manages to pay taxes and show a small profit.

The moral to be drawn from this may best be stated in a question: Will Washington move while there is still time to make a basically-strong private railway system still stronger; or will it wait as Britain did, until stronger medicine is required?

AT UMTA: THE WINDS OF CHANGE

John A. Volpe, who for four years ran the U.S. Department of Transportation with flashy style and political savvy, is now running the U.S. Embassy at Rome. Most of his lieutenants are also gone from DOT. The new boss is Claude Brinegar, an oil company executive from California, and the atmosphere at DOT today is one of restrained, businesslike efficiency.

The winds of change that are beginning to blow through the Department's labyrinthine corridors are nowhere more evident than at the Urban Mass Transportation Administration, which administers the Federal government's billion-dollar-a-year transit aid program. Frank C. Herringer, a 30-year-old management consultant who cut his political teeth at the White House (where, his official biography says, he was "responsible for a wide range of personnel and management related matters") has succeeded Carlos Villarreal, who had been a sales executive, as UMTA's chief. "Brainy" is a word often used to describe Herringer, and brainy he is. A magna cum laude, Phi Beta Kappa graduate of Dartmouth, he went on to take an M.B.A. degree at Dartmouth's Amos Tuck School of Business Administration, where he received the highest academic average in his class. At the age of 26, he became the youngest principal in the history of the international management consulting firm of Cresap, McCormick and Paget in New York.

In an interview with Railway Age, taped in Washington in mid-June, Herringer talked about what he sees in the years just ahead both for UMTA and for mass-transportation (p. 46).

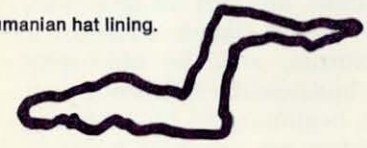
Petroleum and You (A History of the Former)

Chapter Three: A Giant Awakens

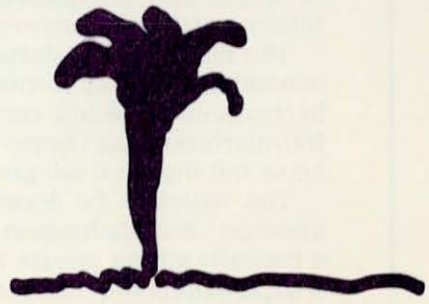
In 1852 a Canadian chemist named Abraham Gesner succeeded in distilling a new fuel from petroleum which, by a clever rearrangement of the letters of his name, he dubbed kerosene. This created an important new demand for petroleum, thus setting the stage for the emergence of a burgeoning industry. (See forthcoming Chapter titled "Stage Settings of the 1850s.")

Many historians of note credit Rumania with the establishment of the first oil industry, citing the fact that in 1857 the country produced 2000 barrels of oil. Of course in later years this output came to be looked upon as laughably small, and any Rumanian who contended otherwise was likely to be in for a round of good-natured kidding in which his face would be mocked, his beard tweaked, and the lining ripped out of his hat.

Rumanian hat lining.



Also in 1857 James Miller Williams discovered oil at Oil Springs, Ontario and set up a small refinery. However, his endeavor brought him only a limited amount of recognition since many people felt—some resentfully so—that to find oil in a place named Oil Springs was something almost anyone could have managed.

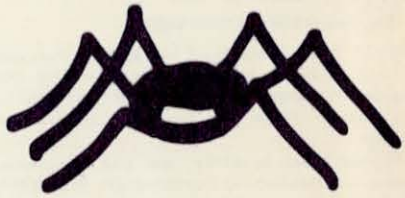


Oil Springs, Ontario, circa 1857.

Consequently the majority of informed historians prefer to trace the beginning of the oil industry to the well drilled in 1859 at Titusville, Pennsylvania by Edwin L. Drake. Drake, who was hired to drill the well by a consortium of businessmen, was a retired railroad conductor, and therein lies an exciting tale. Early on, there was a bold move afoot among the businessmen to hire a retired optician for the job, while, on the other hand, an opposing faction plumped strongly for a retired piano tuner. Hence, the happy compromise.

In any case, on August 27, 1859, Drake struck oil after drilling to a depth of 69½ feet, and from this well it is reported that he was able to produce 10 to 35 barrels a day.

Also it is interesting to note that a neighbor of this same Edwin L. Drake was the inventor of the rubber spider.



A real laugh-getter in the Drake neighborhood.

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RAILWAY AGE

JULY 9, 1973

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Railroads at mid-year

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COVER

For its midyear cover, Railway Age chose a midsummer scene on the Kansas City Southern near Eagleton, Ark., two miles south of Rich Mountain. The northbound KCS train, on a 1.35% grade, was handling maximum tonnage (9,800 tons) and powered by four SD40s—two on the head end and two back in the train operated remotely by Locotrol. William Shrout, a partner in the free-lance photography firm of Shrout and Shrout, Theodore, Ala., took the picture.

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Short and Significant

NEW CAR BACKLOG CONTINUES TO RISE

Orders for new freight cars in May 1973 totaled 6,551; for five months of 1973 orders had been placed for 40,673 new cars, compared with 47,915 for all 12 months of 1972. During May carbuilders got orders for 6,121 new cars and railroad shops were scheduled to build 430. The backlog of new cars ordered but undelivered continued its rise and was 38,027 on June 1, 1973, compared with 36,527 a month earlier and 15,344 on June 1, 1972.

WM FILES FOR MAJOR ABANDONMENT

Chessie System has filed application with the ICC for abandonment of 125 miles of the affiliated 730-mile Western Maryland and for granting WM trackage rights over 185 miles of the parallel Baltimore & Ohio in Maryland, Pennsylvania and West Virginia. Chessie President Hays T. Watkins says the resulting improvement in efficiency will produce "significant savings" for both WM and B&O, while release of large tracts of WM property will enhance the possibilities for industrial development. Chessie controls WM through ownership of 91.4% of the smaller road's stock.

STATE GROUP AIDS TRUCK RESEARCH

The Pennsylvania Science and Engineering Foundation has made a $20,000 grant toward development of a "radial" truck for application to 100- and 125-ton freight cars. The truck, designed by Dr. B.T. Scales to overcome excessive wheel wear and reduce rail forces, is being engineered by the Sheffield Fabricating & Machine Co. of Aliquippa, Pa., in cooperation with the Bessemer & Lake Erie and Pittsburgh & Lake Erie. The $85,000 project is seen as aiding railroads, coal mining, and railway supply firms in Pennsylvania.

A FLAW IN PHASE FOUR?

Eastern rails, including the Chessie System, will ask general freight rate increases of 3% when President Nixon's 60-day price freeze expires on Aug. 12, while Western and Southern rails will probably file increases averaging 5%. Earlier, Chessie had not participated in a 5% rate increase requested by other rails and approved by ICC on June 12. It would have gone into effect on July 20 which fell within the freeze period. The earnings loss to rails by the freeze will be negligible—only about $5 million a month. What has rail economists worried, however, is what economic controls the Administration will impose after the freeze ends on Aug. 12. It is now said that new controls will then be issued approximating those in effect between November 1971 and January 1973 (the so-called Phase II period), which would mean rails could file rate increases in the neighborhood of 3 to 5% a year.

SOVIET/AMERICAN RAIL COOPERATION

President Nixon and Russian party leader Leonid Brezhnev on June 19 signed a transportation agreement in Washington that, among other items, provided for technological cooperation and exchange of information on rolling stock, track and roadbed, high-speed research, and automation and cold-weather operation. Other similar agreements exist with several Western European countries, and the U.S.-Soviet agreement should be regarded more as a door-opening than as a concrete program of reciprocity in research.

ALCO AT 125: DIESEL REBUILDS EMPHASIZED

Alco Engines Division of White Motors Corp. recently marked the 125th anniversary of the founding of its oldest predecessor firm, the Schenectady Locomotive Engine Manufactury. Today's Alco, a producer of diesel engines but no longer a locomotive builder, continues to turn out prime movers and components for locomotives throughout the world, as well as for stationary and marine applications. Currently under construction is a $600,000 laboratory at Auburn, N.Y., where Alco operations are now centered. Engine rebuilding is getting new emphasis at Alco.

PC WINS ARDA MARKETING AWARD

The American Railway Development Association's top marketing-section award has gone to Michael V. Smith, Penn Central's assistant manager-market planning and research, for a paper on the haulage of construction aggregates. Smith noted that railroads moved less than 10% of the 1972 aggregate production of nearly 2 billion tons. He said the unit train concept "provides the low cost operation needed to establish a competitive rate level and the quality rail service that matches trucks and barges." PC is operating four unit trains for aggregate producers.

FOR THE RECORD

Railway Age is now being issued in one volume a year, instead of two as heretofore. Hence, there is no change in volume number in this first issue of July 1973. Each year's issues will be numbered one through 24. A new volume will begin with the first issue of each January. Also, beginning with 1973, only one index a year will be published.

Let Sloan upgrade your downgrade operations

HOW? With its new three-position retaining valve—your assurance of positive braking performance when descending grades. Sloan's Retaining Valve, the first to receive AAR approval, has a basic practical design of ingenious simplicity. Its body and cover-handle are made of brass castings, while internally the only parts subject to wear are three "O" rings which are quickly and easily replaced.

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RAILWAY AGE

NEWS

New "Fannie Rae" proposal gains ground

The annual deliberations of the Railroad Public Relations Association rarely produce hard news—but RPRA's late June sessions at Point Clear, Ala., were an exception. U.S. Representative Brock Adams (D.-Wash.), chairman of the House Transportation Subcommittee, chose the occasion to unveil a plan for a new omnibus bill that would (1) create a Federally-aided Northeast Railroad Corp. to absorb bankrupt carriers; (2) provide $2 billion in guaranteed loans, available to all qualifying railroads, for plant modernization, plus up to $3 billion in equipment obligation insurance; and (3) make it easier for railroads to abandon unprofitable trackage. The Northeast proposal in the new bill is very similar to that advanced earlier by Union Pacific Chairman Frank Barnett; it also contains some of the language of the ICC plan (RA, Apr. 30, p. 10). The provisions for guaranteed loans and equipment obligation insurance are similar to those in the Surface Transportation Act, which has been stalled (see p. 30). The abandonment provision is a rewritten version of an STA title.

There was a new urgency about all these propositions as Penn Central's trustees were then readying for Federal Judge John P. Fullam their detailed liquidation plan for the nation's largest rail line.

The new proposal for the Northeast commands wide support among railroads, organized labor and other interested parties—with the notable exception of the White House. Federal Railroad Administrator John W. Ingram, without commenting directly on the Adams plan, told the RPRA the Administration still hopes to create a Northeast Railroad Corp. with private funding.

Adams described the new proposal in these words:

"First, there would be created a blue ribbon New England Transportation Commission (NETC), representative of all the interests involved, which would operate as the design group. A Federal corporation, called the Federal National Railway Association (FNRA or Fannie Rae) would provide the financial assistance. A new Federal corporation known as the Northeast Railroad Corp. (NERC) would serve as the operating carrier.

"The Northeast Railroad Corp. would originally be controlled by the Federal government, through FNRA. It would be a self-liquidating Federal corporation, however, for it would issue up to $500 million in preferred voting stock. It would also have a Class B non-voting preferred and a common stock which would be available to buy assets from the bankrupt railroads. It would also have available funds from Fannie Rae which could be authorized to sell government-guaranteed bonds to the financial community and would receive in turn cash which it could then loan to the NERC at reasonable rates and for long term periods.

"Thus the NERC would have cash from the sale of preferred voting stock and from the Fannie Rae 'soft loans' as well as its Class B preferred stock and its common stock to exchange with the bankrupt railroads for the transportation assets needed to serve the northeastern part of the United States.

> "The most difficult problem is to determine what is the necessary public rail service for the Northeast. . ."
>
> —Rep. Brock Adams

"The most difficult problem is to determine what is the necessary public rail service for the northeast, and who should make that decision. Frankly, there is not much support for allowing the Secretary of Transportation to design the system by himself, and then to allow presidentially appointed incorporators of a new corporation to designate the points to be served and the lines to serve them. I believe instead we should create a broadly representative New England Transportation Commission to develop a comprehensive regional plan. . .The NETC would use as a basis of its work a basic point-to-point outline which the Secretary of DOT would submit to it within 30 days of enactment of the statute. The NETC would be composed of 13 members, with an executive director who would serve ex officio. The composition would be: one upon recommendation of the National Governors Conference; one upon recommendation of the National League of Cities and Conference of Mayors; one upon recommendation of the NARUC; two upon recommendation of the AAR; one upon recommendation of the Consumer Federation of America; three upon recommendation of the National Industrial Traffic League; one upon recommendation of the National Association of Railroad Passengers; and two upon recommendation of the AFL-CIO, one representating the operating employees and one representing the non-operating employees.

"The regional plan. . .would designate those rail lines on which service shall be provided by the corporation; those lines and facilities which should be offered for sale to solvent railroads for inclusion in their systems; those rail lines which would be kept in operation only if a state or local subsidy is available; and those lines which should be 'mothballed' so that the right of way would be available for future use if needed.

"The regional plan would also set forth the estimated fair and equitable value of the rail lines and properties to be acquired and would describe the capital and debt structure of the new corporation.

"In designating the plan, the NETC would be required to take into account, among other things (a) the need for continued rail service by persons, communities, geographic zones and cities presently served; (b) existing patterns of service by railroads and alternative modes of transportation; (c) present and projected future patterns of economic and population growth and the effect that continuation or cessation of rail service may have upon them; (d) the requirements of commuter and intercity rail passenger service. . . .

"NETC would be given a period of ten months to complete the preliminary plan which would then be submitted to

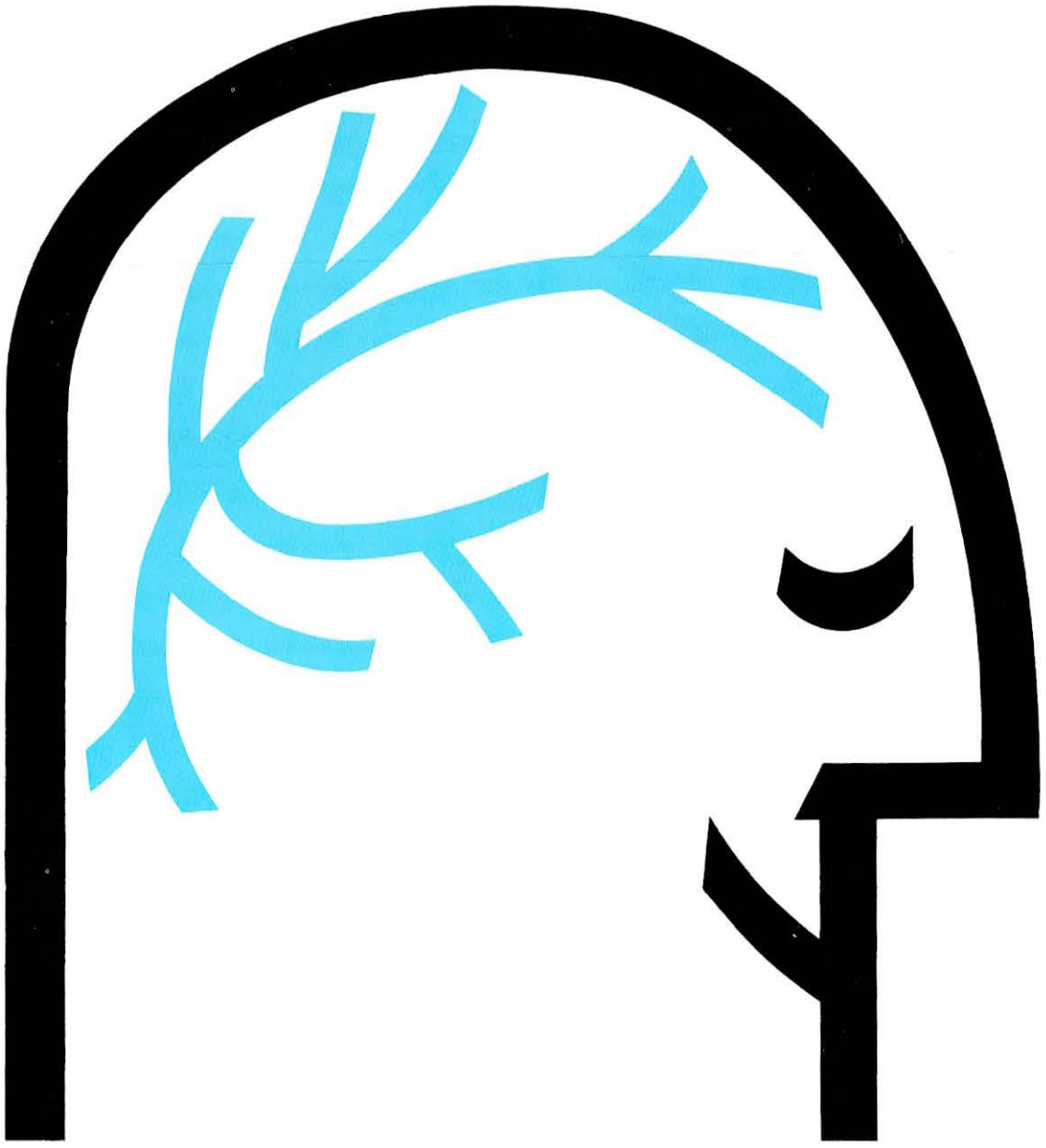
think transit controls and you're thinking GRS . . . automatically

Any number of progressive transit planners have so thought. What's more, they've asked us in.

Our systems serve in such faraway places as Holland and Africa. We're involved in effective and successful operations in Chicago, New York, Toronto, and Cleveland; and Washington Metro too has specified GRS controls.

The largest personal transit system – 13 miles of guideway, 53 stations – is now being installed at Dallas/Fort Worth Regional Airport. GRS is furnishing the controls.

GRS specialists are ready to help your rapid – or personal – transit planning with expert controls technology. Since 1904, no transit control problem has ever stumped us.



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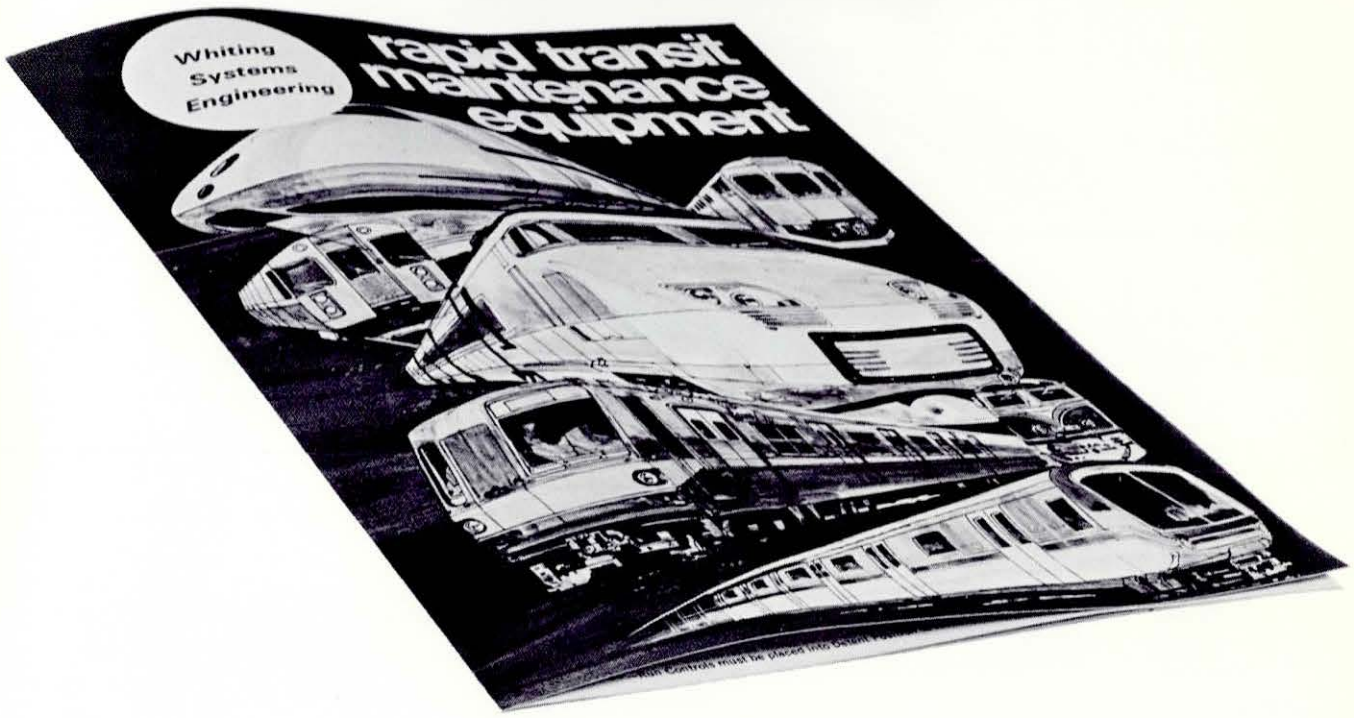
Trouble Shooter's Guide



Whether you're planning a rapid transit system or already operating one, you should know how Whiting engineered inspection and repair systems can help you prevent trouble.

Whiting systems include equipment for hoisting, wheel spinning, exterior washing, plus moving, retarding and holding cars and trains. All equipment is engineered to your specific requirements — and all backed by Whiting's reputation for dependable, service-tested transportation maintenance systems.

It's all described in our new rapid transit "Trouble Shooter's Guide" which shows Whiting systems at work and tells how they can help you. Send for your copy.

RAILROAD MAINTENANCE SYSTEMS ENGINEERING

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FNRA for their comments as to financial feasibility. At the end of 12 months the regional plan would be submitted to the Congress for ratification. The plan would become effective in 30 days unless rejected by either the House or the Senate.

"If this plan is not rejected by Congress it would be transmitted to the corporation as its operating document and the corporation would then start operating on the designated lines and proceed with the disposition of other lines either by selling them to other railroads, mothballing them for future use or to start abandonment proceedings.

"The plan would also provide that any state, local community, or shipper would have the right to have service continued as long as 30% of the operating loss were paid. The remaining 70% would be paid as a direct Federal subsidy to maintain that service. As soon as the Act was passed, the judge in each bankruptcy case would be required to make a finding within 60 days as to whether the railroads could proceed with an income based reorganization or would have to be liquidated. The ICC would be directed to send to the NETC within a year a report as to the liquidation value of the transportation assets of the bankrupt railroads incapable of reorganization. The NETC would include this valuation in the regional plan. If necessary during the planning period, the NERC would be authorized to lease the transportation assets of the bankrupts both to maintain the status quo in service and to stem the erosion of the debtor's estate.

"It is contemplated that this corporation would have approximately $1 billion in common stock outstanding and $500 million (preferred) as well as bonding authority from FNRA. It would also, once it had obtained the assets free and clear from the bankrupt railroads, have the ability to borrow on these assets from the private sector.

"Thus, the corporation would have available capital for rehabilitation and funds to pay for a labor settlement to obtain the employees it will need in order to operate. If this corporation proves to be profitable (and it should be if the designated group and DOT do their job properly) then its earnings would be used to first retire the FNRA-owned preferred stock. When this was accomplished, the voting power would shift to the common stockholders (who are recipients in the bankruptcy) who would then designate the directors. The corporation would then be privately owned and operated and its only connection with the Federal Government would be availability of FNRA loans which would soon cease if the corporation achieved the anticipated earnings. . . ."

Watching Washington

REID BEDDOW

BUDGET WOES AT FRA

The Federal Railroad Administration has fallen flat on its face with Congress, not just on its solutions for the Penn Central and Northeast rail crisis, but in the simple bread-and-butter matter of persuading Congress to approve a modest budget for the agency. For on June 15, the House Appropriations Committee approved a $7.8-billion fiscal 1974 budget for DOT which slashed $13.8 million off the $51.3 million President Nixon has asked to fund FRA through June 30, 1974. The full House then overwhelmingly approved the budget and sent it to the Senate.

About the only good news for FRA in the Committee's action is that the rail agency was told to go ahead with TACV research, while UMTA was told to end its TACV research—the logic being that TACV has limited usefulness in urban areas.

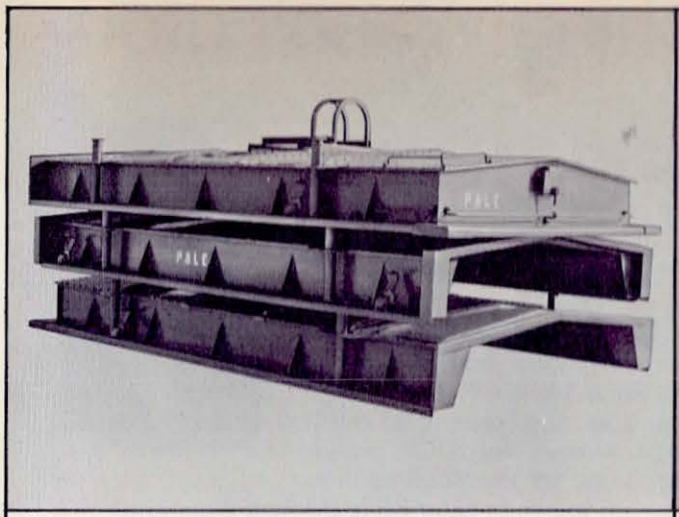
The Committee also criticized the Washington (D.C.) Metropolitian Area Transit Authority for purchasing 300 obsolete cars for its Metro subway; and it slashed drastically UMTA's R&D budget, though the slash was in actuality a way of telling the Nixon Administration to spend UMTA funds it had impounded in fiscal year 1973. Here are some details:

FRA. "[We are] considerably disturbed over the minimal contribution being made by the FRA in attempting to cope with the many problems facing the railroads of America today," said the Appropriations Committee report. Normally, that sort of rhetoric is predictable from a Democratic Congress and a GOP administration. But the Committee backed the unkind words with budget cuts. The affected areas are: *Railroad research* funded at a $10.5-million level, down from the $13 million requested by President Nixon in January for projects in industry structure, freight car utilization, improved freight service, and rail safety; *Railroad safety*, for which $7 million was appropriated, $1 million less than the Administration budget request—the cut being in state training programs for safety inspectors which the states have no money to hire; *High speed ground R&D*, $42.5 million, down $10 million from the Nixon budget.

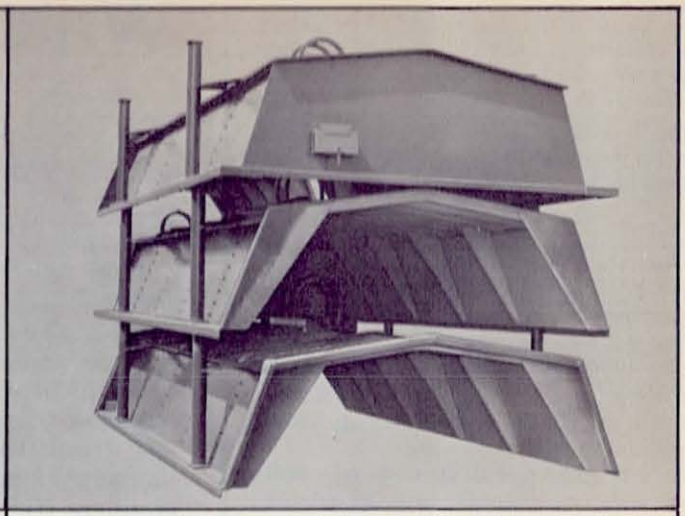
UMTA: The Committee, without charting the intricacies of '73 impounded funds, in effect approved the Administration's requested $1 billion for contract commitments in fiscal 1974, of which $872 million is for capital facilities grants.

RAIL BRITANNIA

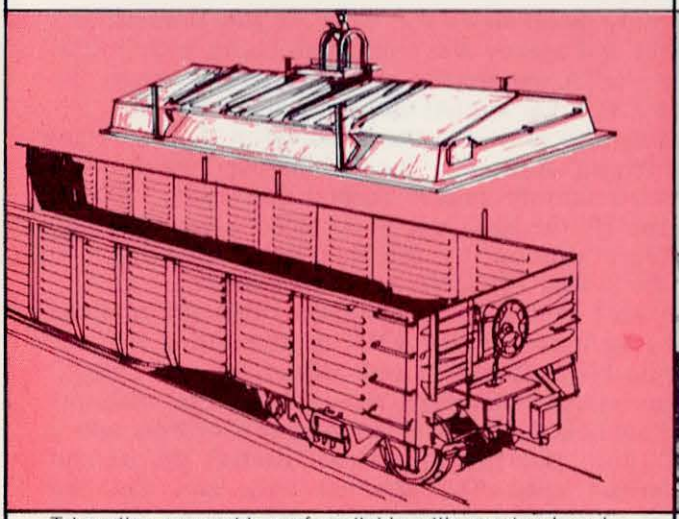
Proponents of a private solution to the Northeast rail crisis gleefully seized on the news that British Rail on June 19 asked its government owners for an extra $129 million a year for the next 10 years—this on top of the $439.6-million annual government subsidy the nationalized BR already receives. A BR policy review contained other shockers: In it BR Chairman Richard Marsh said that the United Kingdom's 11,000-mile rail system should be retained at its present size (it was drastically rationalized at the time of nationalization), but that employees should be trimmed from 230,000 to 190,000. Marsh's recommendations, it is reported, will receive a chill reception from Minister for Transport Industries John Peyton, whose advisers want to pare the system to 7,000 or even 3,000 miles.



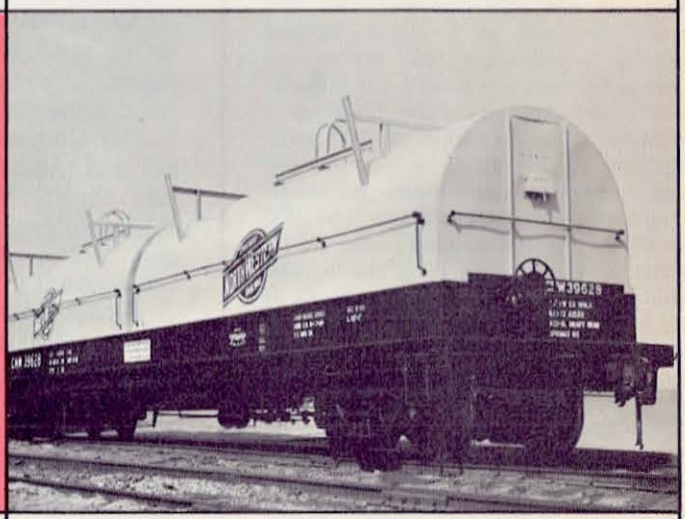
Low-profile 3-section removable roof with end-mounted inspection hatch



"75 percent boxcar capacity" removable roof comes with top or end-mounted inspection hatches



Tri-section removable roof available with running board and top inspection hatch, or with end-mounted hatch and no running board.



Twin-section coil cover can be easily stacked for loading or unloading. Has end-mounted inspection hatch.

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Weather-sensitive loads present a lot of shipping problems. As many problems as there are kinds of loads: machinery, steel ingots, metal coils, you name it. So, Stanray builds several styles of removable roofs to cover your different shipping problems.

We make a low-profile 3-section removable roof that should cover most of your everyday shipping needs. Another will give a gondola 75 percent of the capacity of a boxcar. The third, a tri-section roof provides up to 9 feet of loading space. Last, is a twin-section stackable coil cover. Of course, all these roofs are designed so that they can be conveniently stacked out of the way for loading or unloading.

If you have a shipping problem that can't be covered by one of our Standard roofs, let us know. We'll go to any length or height to build you one that will.

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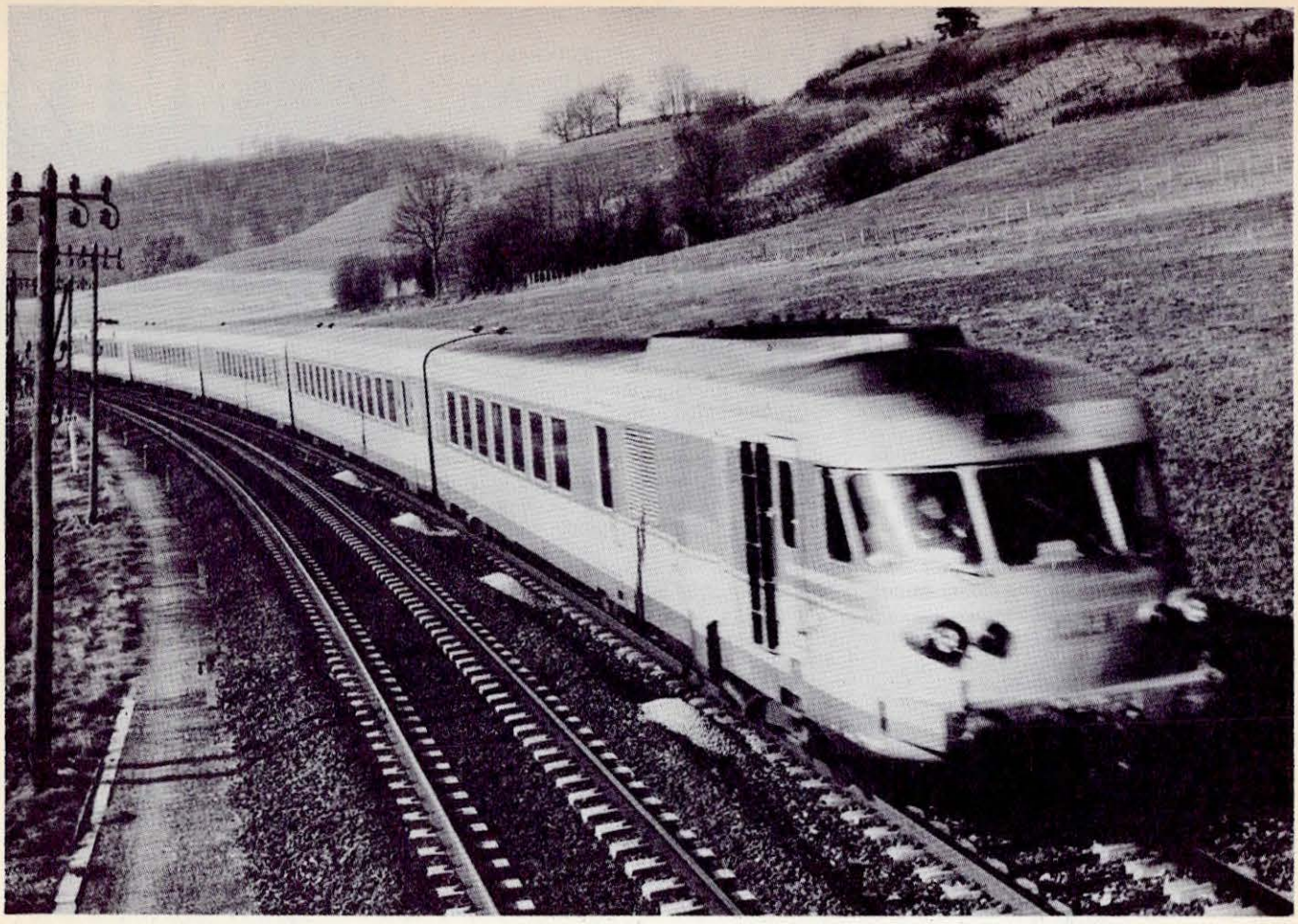

This is the gas turbine train Amtrak has chosen.

On February 28, 1973 Amtrak contracted with ANF-FRANGECO Paris for delivery of two of the latest Turbo-powered trainsets: the "RTG". They are destined for the Chicago-Milwaukee and Chicago-St. Louis runs.

ANF-FRANGECO built the ETG and RTG gas turbine trainsets for SNCF-French National Railways. ETG trains have already totalled over 5 million miles on the regular Paris-Caen and Paris-Cherbourg service during the past two years.

By courtesy of the SNCF two trains of the current completely air-conditioned five-car RTG production series will be released to Amtrak during Summer 1973.

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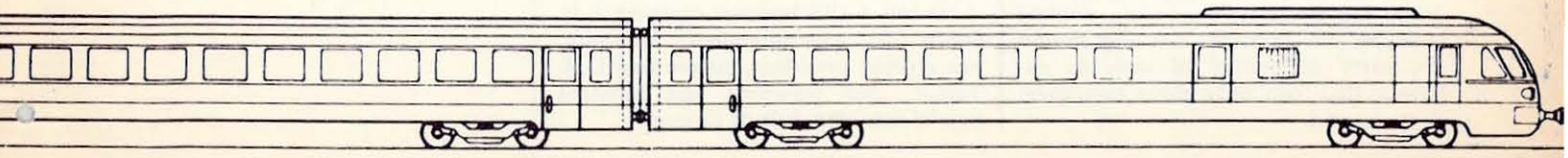


First-quarter net was $78.4 million

A general improvement in Class I railroad revenues and earnings in this year's first quarter was attributable to increased traffic volume resulting from the general improvement in the nation's economy.

Operations for the first quarter of 1973, compared with the first quarter of 1972, showed the following improvements:

—Railway operating revenues increased 7.6%.

—Net railway operating income was up 16.9%.

—Ordinary income rose sharply by 57.9%.

Operating revenues in the first three 1973 months totaled some $3.57 billion, compared with $3.24 billion in the 1972 first quarter, according to the ICC Bureau of Accounts. Net railway operating income was $164.3 million, compared with $129.7 million. Ordinary income jumped to $82.9 million, compared with $33 million. Net income (i.e., after extraordinary and prior period charges and credits) was more than double the figure for 1972's first quarter: $78.4 million vs. $33 million.

For the 12 months ended Mar. 31, 1973, Class I railroads had operating revenues of $13.94 billion, compared with $12.93 billion in the 12 months ended Mar. 13, 1972. Net railway operating income in the 12 months ended last March totaled $726.2 million, against $619.9 million for the 1972 period. Ordinary income reached $392.7 million, compared with $245.1 million, while net income was $296.6 million, compared with a deficit of $438.5 million in the 12 months ended Mar. 31, 1972.

The rate of return in the 12 months ended last Mar. 31 was 2.63%, compared with 2.28% in the prior period.

Ordinary losses were incurred during the 12 months ended Mar. 31, 1973, by 17 of the 65 Class I railroads listed. Eleven of those railroads were in the Eastern District. The National Railroad Passenger Corp. (Amtrak) reported an ordinary loss of more than $141 million during the 12 months ended last Mar. 31, compared with an ordinary loss of $133.9 million in the prior period.

Supers told: Service before efficiency

Railroad operating officers, who are probably subjected to more internal pressure to improve efficiency than anyone else on the property, were told at the 77th annual meeting of the American Association of Railroad Superintendents in Denver that they should, first and foremost, establish a goal of "providing a service that is more responsive to the customer's needs." G.B. Aydelott, chairman and president of the Rio Grande, then advised the 145 operating officers in attendance that they should seek to "avoid being side-tracked from true profit performance into interior efficiency attainment.

"While operations are the most important element in attaining [a railroad's] goals, they are not *the* goals," continued Aydelott. "Marketing and profitable sales—they're the infantry now, with operations acting as the supporting arms."

Railroads have had to make sweeping changes in their marketing strategy to become more responsive to the customer's needs. "Once we were the only way," advised Aydelott. "The railroad used to be the only store in town for shippers, but now they have too many alternatives." Operating officers can't ignore effective cost control measures and standards, but they should not carry economies of scale to extremes that can only drive customers away, he said.

The role of the operating officer is undergoing basic changes, said D.L. Manion, vice president-operations, Missouri Pacific, the keynote speaker. Aside from seeing his sphere of activities expand into traffic and marketing and into community relations, the operating officer is encountering many changes in the technology available to him, Manion added.

Two examples of the new technology coming along to aid rail operations are Southern Pacific's new West Colton (Calif.) classification yard and a revolutionary new Voice Train Control System developed jointly by Chessie System and TRW Inc. "West Colton was planned from the beginning," explained S.B. Burton, SP's assistant vice president-personnel, "to be the most advanced installation of its kind in the world." New training procedures to enable personnel to cope with this new technology have been in preparation for over a year, he explained. Chessie's VTC system, aimed at improving train safety and operational efficiency as well as at simplifying instructions, could be ready for its initial installation as early as August or September, probably in Cincinnati.

At the AARS business meeting, L.H. Smith, Jr., superintendent, Southern, was elected president, succeeding D.R. Turner, vice president and assistant general manager, Belt of Chicago.

Why 19

Servo is the world's leading producer of electronic hot box detector systems.

We're not experts in every phase of railroad safety — but as the industry's pioneer designer and producer of electronic hot box detection systems, we can claim a high level of successful experience in working on the problems of bearing failures, axle burn-offs and derailments associated with undetected hot boxes.

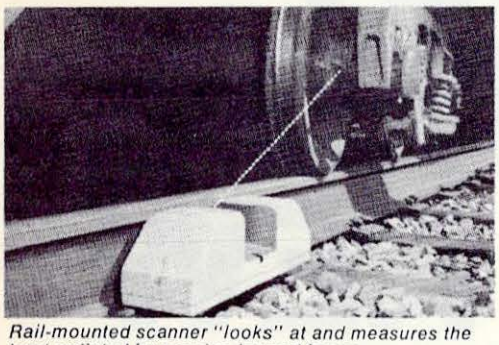
Since 1957, more than 1,800 SERVOSAFE Hot Box Detective Systems have been put into service, and have compiled an unequaled record of safety improvement, more efficient preventive maintenance procedures and cost reduction.

Hot box detectors available from Servo offer the widest flexibility in choice of system configuration, features and functional options, including: rail-mounted or ballast-mounted scanner; a complete selection of ancillary and test equipment; solid-state electronic signal processing. Several modes of data read-out are also available — automatic digital read-out at trackside or remote location; pen-paper recorder chart for visual interpretation; FM carrier data transmission over unlimited distances.

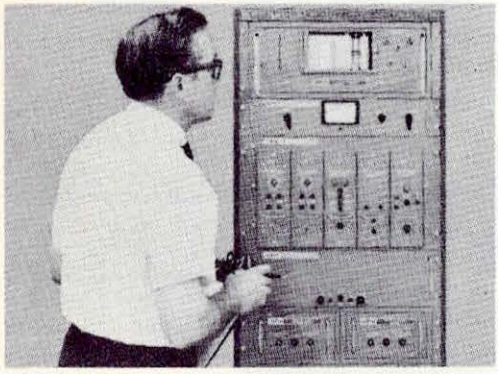
With our broad range of products and world-traveling network of field engineers, we can readily "customize" the design, manufacture, installation and operation of a SERVOSAFE System to best meet the particular requirements of your railroad.

You are invited to contact us for complete descriptive literature, or to arrange a field engineering site survey and application review — without obligation, of course.

are 71 railroads in countries using SERVOSAFE®?

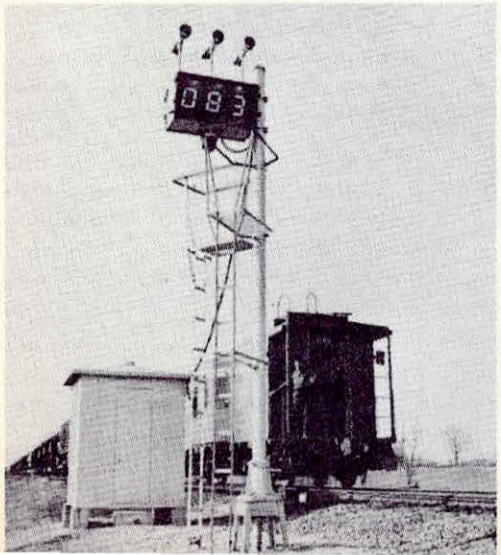


Rail-mounted scanner "looks" at and measures the heat radiated by passing journal boxes.



Solid state electronic data processing equipment, with permanent record chart recorder.

Trackside display board gives digital read-out of hot box location.



Because today's faster, heavier trains—running for longer distances between inspection stops—have placed even greater emphasis on one of railroading's oldest problems: the overheated journal box. Wheel bearings are operating under more stress, and are more vulnerable.

Technological developments such as better lubricants, improved bearing designs and lubricator pads have all been employed by railroad managements to help solve the problem. Another significant step taken has been the increasing use of roller bearings. While these advances have helped, they have also made traditional methods of journal box inspection extremely difficult. The smoking oil fire indicating a friction bearing hot box is now a rare occurrence. A roller bearing that is about to fail seldom gives a warning sign that can be seen by eye. An automatic method for detecting hot boxes has become a necessity. The SERVOSAFE® Hot Box Detective™ System meets today's needs by providing for the automatic location of bearings that are running hot, so that action can be taken promptly after detection.

Railroads use SERVOSAFE simply because it has proved itself, in actual field service, to be the most practical, most effective method of combatting costly damage and derailments caused by defective overheated bearings.

Want more reasons why you should have SERVOSAFE on your railroad? Write or phone today.

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We've designed the "XP" bearing to go without reconditioning or relubrication for 600,000 miles or ten years—whichever comes first.

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We've built eleven design improvements into the "XP" bearing to give it added dependability.

So you can worry a little less about costly setouts due to water entering through axle end cap holes or backing rings, loose or missing cap screws and loose seals.

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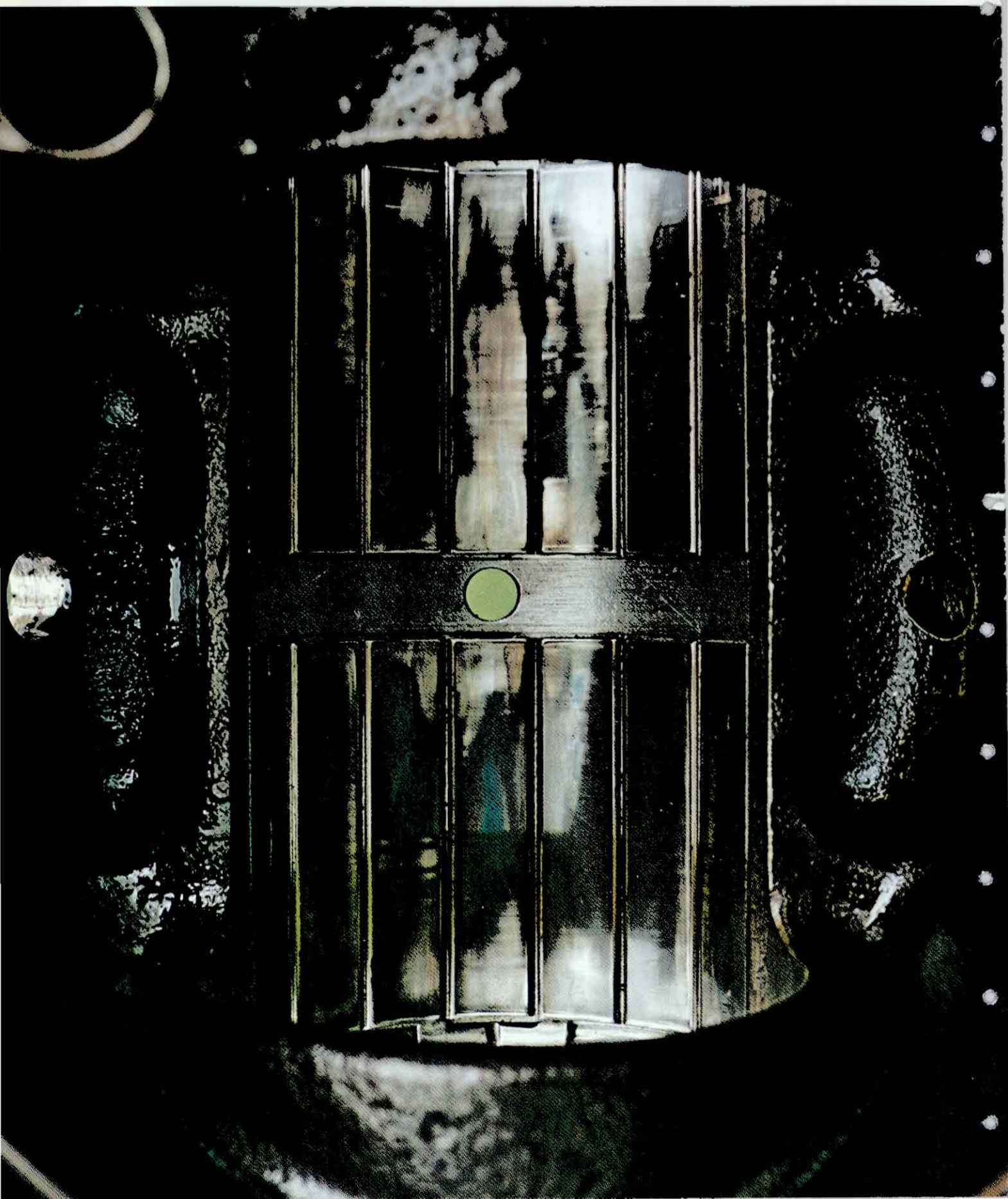
Shell's Caprinus™ T Oil 40 lubricated hard-working GE U-36's and EMD SD-45's for over 100,000 miles. How did it perform? These pictures tell the story.

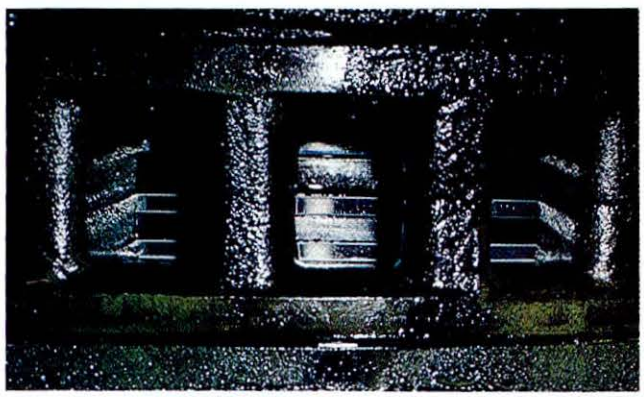
Clean, trouble-free parts show can help extend oil drain intervals



why Shell's Caprinus T Oil 40 on GE U-36's and EMD SD-45's.

Stretch oil drain and filter change intervals and still get excellent performance in high-horsepower engines. That was the basic idea behind Shell's development of this locomotive diesel engine oil having outstanding dispersancy and alkalinity retention—Shell CAPRINUS T Oil 40.

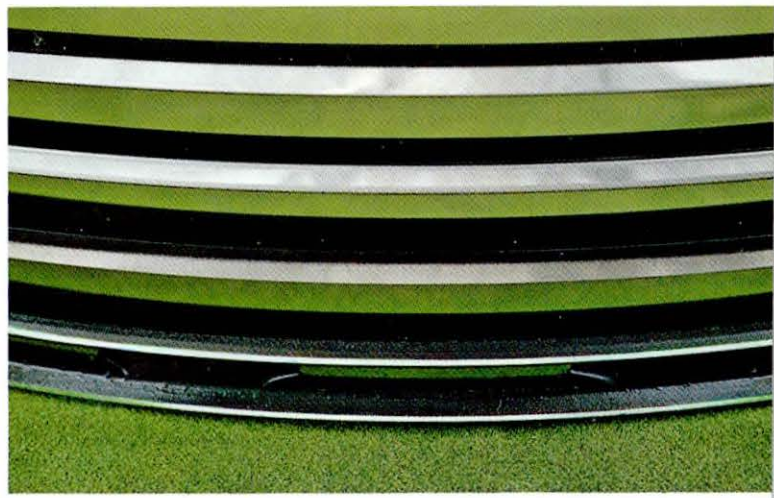
There was only one way to find out how CAPRINUS T Oil 40 would perform in standard freight service—put it to work for more than 12 months (in excess of 100,000 miles) in GE U-36's and EMD SD-45's. Change the oil in the GE U-36's at approximately 50,000 miles during the trial. Drain the EMD SD-45's at the end of 12 months. Then inspect all the power assemblies. The pictures on these four pages show what happened. CAPRINUS T Oil 40 did an exceptionally good job.



The ports on the EMD SD-45 were very clean after 100,000 miles. For example, No. 13 port is 100% open. No deposits. And look at the ring faces. Grooves on the top ring are still visible—indicative of low wear. Grooves on second and third rings are even better. (EMD chrome ring wear classifications: top—two; 2nd—one; 3rd—one).

Undercrown of GE U-36 steel crown piston taken from locomotive Unit 1798 shows no evidence of coking in the undercrown cavity after operating approximately 100,000 miles and having only one change of CAPRINUS T Oil 40 at 50,000 miles.

◀ Silver pin bushing removed from EMD SD-45 (locomotive Unit 2021) after 100,000 miles on Shell CAPRINUS T Oil 40. There is no feathering on the edges of the six grooves and most of the lead flashing is still present.



Piston rings on the GE U-36 showed no scuffing, no sticking and very low wear. Ring gaps were well within new parts tolerance. Lots of chrome still visible on top two barrel-faced rings; third, a taper-faced ring, still has more than a third of its original break-in phosphate coating; no deposits in oil ring slots.

Both engines stayed clean.

First, we looked at the top deck of an EMD SD-45 locomotive. Unit 2021. It was in excellent condition. Rocker arms, valve springs and cam shafts—clean. Top deck covers—gleaming. (See front cover.)

When this 20-cylinder, 2-stroke, 3600-HP engine was changed over to CAPRINUS T Oil 40 more than 100,000 miles ago, wide bands of lacquer were present on the top deck covers. This section of the engine was cleaned up by the CAPRINUS T Oil 40.

Now look at the rest of the critical parts, both the EMD SD-45 (from Unit 2021) and GE U-36 (from Unit 1798)—a 16-cylinder, 4-stroke, 3600-HP turbocharged diesel. The latter has in excess of 100,000 miles service with CAPRINUS T Oil 40.

Clean parts tell the story.

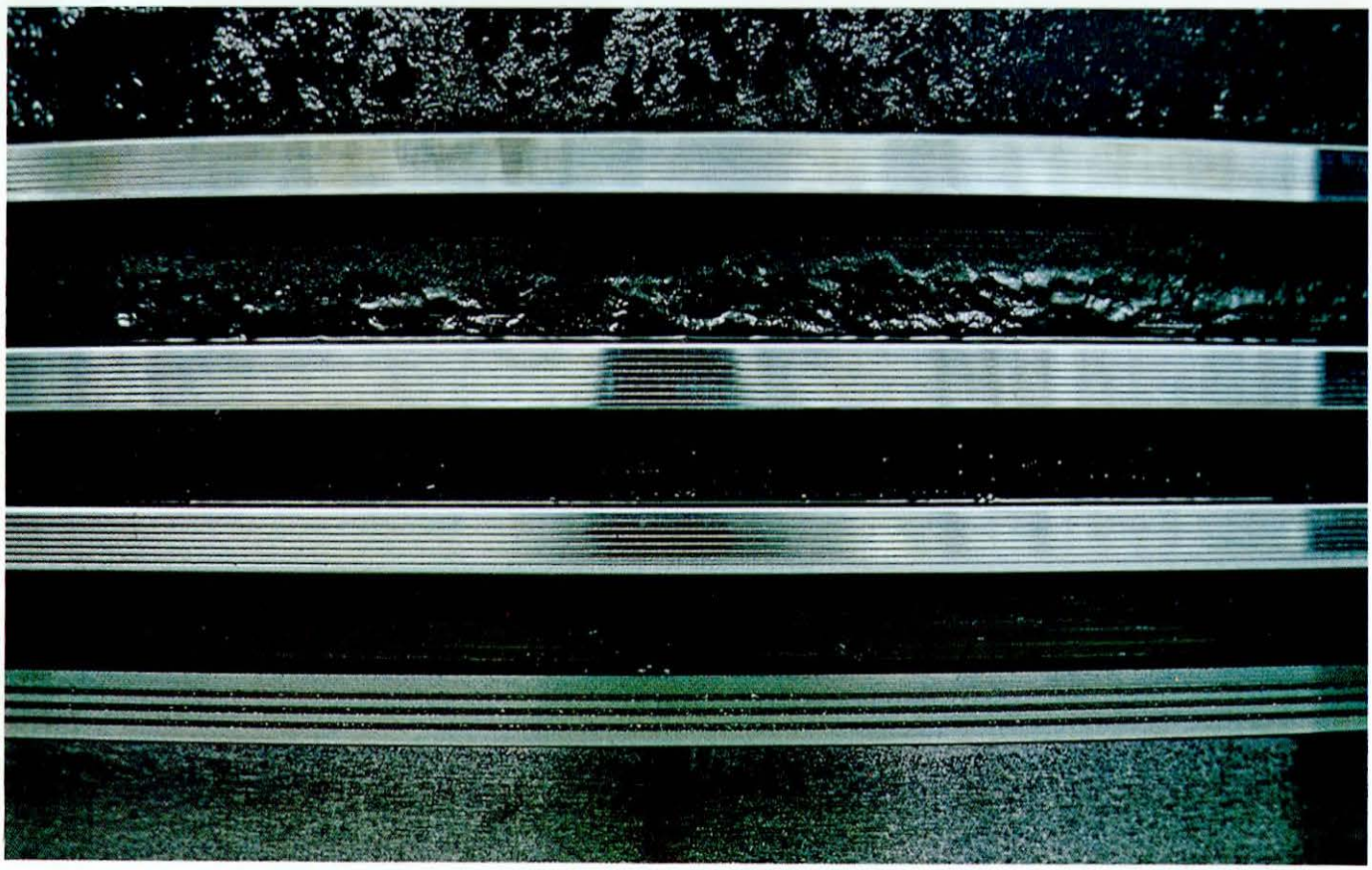
The parts are remarkably clean. In the EMD SD-45 the piston rings were free. Side clearance and ring gap measurements were nearly within new parts tolerance. And in the GE U-36, piston rings were free, and ring gap measurements were within new power assembly specifications.

How CAPRINUS T can help cut your costs.

Shell recommends CAPRINUS T Oil 40 for severe service in both 2-stroke and 4-stroke power because CAPRINUS T Oil 40 offers: (1) Exceptional base number retention. (2) High dispersancy level. (3) Superior resistance to oxidation. (4) Control of ring-belt deposits. (5) Clean piston undercrown areas. (6) Low wear rates.

See back cover for more evidence of the capabilities of CAPRINUS T Oil 40.

Here's more evidence of the excellent performance of Shell Caprinus T Oil 40 in GE U-36 and EMD SD-45 engines.



The rings shown above from the EMD SD-45 were in excellent condition after 100,000 miles. EMD chrome ring wear classifications were: top ring—two; second and third rings—one. The rings from the GE U-36 showed no scuffing, no sticking, very low wear. Ring gaps were within new parts tolerance.

Is there an idea here for you?

Let a Shell Transportation Sales Representative give you more detailed information on Shell CAPRINUS T Oil 40—and make recommendations for your equipment regarding extended oil drain and filter change intervals.

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Shell's Caprinus™ T Oil 40

SHELL

Hot box setoff improved-a bit

Freight-car journal performance continues as a problem for the AAR Mechanical Division as was evident in several reports at the restricted annual business meeting in St. Paul last month. While 792,510 North American freight cars were reported to have roller bearings at the end of 1972 (up 61,759 from a year earlier), the General Committee reported that the 2.18 million miles per hot box setoff was only "a slight improvement" over the year 1971.

"The various methods which have been adopted to improve the performance such as quality control of lubrication pads, stabilization of solid-bearing-equipped boxes, mandatory application of journal roller bearings and improved servicing of journal boxes are showing expected results," according to the Division. One subject being discussed is an AAR standard lubricator pad to combat the "seeming deterioration in the performance of pads."

Methods for enhancing roller bearing performance are also being considered. The goal would be to eliminate periodic lubrication, encouraging design changes that would allow assemblies to operate up to 12 years without attention. Such an interval, it is hoped, would more than cover the life of the wheelset on which the bearings would be mounted. This would mean that all roller bearing attention could be given in wheel shops while the wheels themselves are also being processed.

Inadequacies in certain designs of stub-sill tank cars also continue to confront the Division. The Car Construction Committee has proposed to limit the length of all two-truck freight cars to 89 feet 4 inches over the end sill and 90 feet over strikers "except for allowance...to accommodate cushioning travel." For several years there has been a temporary ban on building longer cars.

The Division is concentrating on problems associated with box car doors. Included are a mandatory anti-pilferage arrangement and possible establishment of a nation-wide stock of spare doors.

The Locomotive and Electrical Equipment Committee has made a series of recommendations on locomotive cab construction. Included are components such as expendable plastic water bottles, polycarbonate side windows, non-slip flooring and cushioning around door openings. "Such improvements as alcoves for water coolers and fire extinguishers cannot readily be incorporated into present cab layouts because of the location and design of electrical cabinets," it was noted.

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GUS WELTY

PUTTING IT ALL TOGETHER?

Merger-making has long been a more-or-less harmless divertissement—something to kill a hot and muggy afternoon. You put initials together, and you come up with such wild and fanciful things as ICG-SOU, ATSF-MP, SLSF-ICG, ATSF-SLSF, UP-CNW, BN-and-various-folks, and so forth and so on. At 5 p.m., you throw the whole thing in the round file and go home. You don't really think much about merger-making again till the next time the temperature and the humidity are neck-and-neck at 90. But this time, you think about different sets of initials—UTU-BLE, for openers, and then maybe BRCUSC-IAMAW-IBEW-SMWIA-IBFO-IBBISBFH (railroad portions thereof) and even UTU-BLE-ATDA-RYA. Those doodlings usually also wind up in the circular file. But, in a way, maybe they shouldn't—because (1) rail unions have indeed proved that merger can work, (2) with the multiplicity of rail unions still in the field, more amalgamations would seem to make some sense, and (3) even though the tiniest of rail unions can theoretically tie up the nation, it would seem inevitable that, nevertheless, in unity and maybe only in unity is there long-run strength.

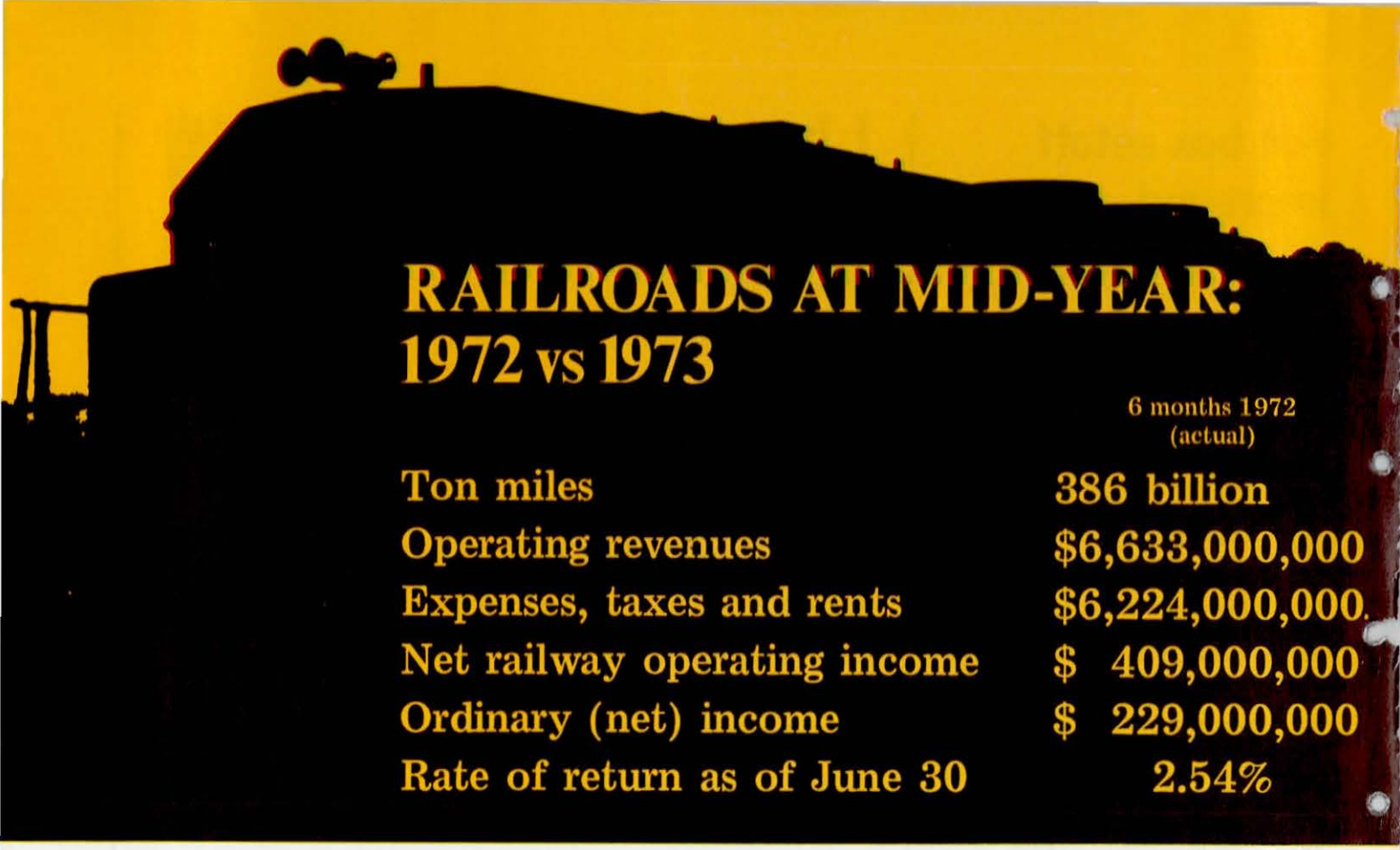
UNION MERGER: IT HAS SUCCEEDED

On Point 1, BRT-BLFE-ORCB-SUNA added up to UTU, and it's working; BRAC-TCEU got together, and it's working. There have been rough spots, to be sure. But the major union mergers are in fact working. On Point 2, even with the aforementioned mergers, there were still 15 separate organizations involved in the recent national wage/benefit agreement. By almost any reasoning, that has got to be a few too many. Among the shopcrafts, as one example, there are six unions—a couple (most notably the Carmen) with membership predominantly in the railroad industry but some for which railroad representation has to be small potatoes. Consider these raw-and-rough figures: IAM, total membership 865,500, railroad 17,000. Or IBEW, total 922,000, railroad 11,000. Or SMWIA, total 120,000, railroad 6,000. And you have to wonder if the railroad members of these various organizations don't have more in common with each other than they do with the other members of their own present unions. Then, there are unions elsewhere in the industry that have to be suspect because of their small membership—RYA with about 4,500 members working on the railroad, for instance, or ATDA with about 3,000. And Point 3? Well, probably it speaks for itself.

CRAFT OR INDUSTRIAL: THAT'S THE QUESTION

Of course, the surest way to guarantee an irate letter or two in the morning mail is to start tampering—even in an idle philosophical way—with the jealously-guarded independence of even a single railroad union. But, at the same time, it's hard to ignore logic forever. And, while the old AFL principle of craft unionism was valid in its time (as opposed to the late-blooming CIO principle of industrial unionism), after all, it *is* the AFL-CIO now.

And yes, the Gold Star for this column does go to the reader(s) who identified correctly IBBISBFH without having to look it up. That's International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers.



RAILROADS AT MID-YEAR: 1972 vs 1973

	6 months 1972 (actual)
Ton miles	386 billion
Operating revenues	$6,633,000,000
Expenses, taxes and rents	$6,224,000,000
Net railway operating income	$ 409,000,000
Ordinary (net) income	$ 229,000,000
Rate of return as of June 30	2.54%

Traffic and revenues soar, but profits

BY LUTHER S. MILLER, Editor

Take the performance statistics of all U.S. Class I Railroads, mix well, splash onto a broad canvas, and you get a picture of an industry that appears to be in robust health.

Official estimates will not be available for several more weeks, but in mid-June industry economists were privately forecasting that six-months sheets would show all-time high revenues of $7.2 billion, an 8.5% increase over last year's previous high; net railway operating income of $440 million, up 7.6% from first half '72; and ordinary (net) income of $270 million, up 17.9%.

The actual picture is not, of course, as rosy as it might appear to be at first glance. Expenses are climbing just about as fast as revenues. Labor costs alone are up about 10% over last year—and are expected to take another leap forward Oct. 1 when the excess in the cost of Railroad Retirement benefits over Social Security is shifted from employees to employers. That will cost the railroads about $240 million a year.

Other costs are also rising—most dramatically, fuel costs. In past years, the cost of fuel has run about 3½% of revenues; in 1971, the last year for which figures are available, fuel cost the railroads $450 million. But the oil shortage that began to be felt late in 1972 has caused prices to double in some instances. Many carriers are now paying 20 cents a gallon to fuel their locomotives. It's entirely possible that fuel will consume 5% of revenues this year, or close to $700 million.

Meanwhile, the railroads are being denied—at least temporarily—the benefits of a long-sought rate increase. A 5% increase (for all carriers except the C&O/B&O and the Long Island) was approved by the Interstate Commerce Commission just one day before President Nixon clamped a 60-day freeze on prices. Since the increased rates were not in effect during the June 1-8 base period established by the President, they will be held up at least until Aug. 14, when the freeze expires. Because much paperwork still must be accomplished, the rates could not have gone into effect until perhaps July 26 in any case, so the immediate loss to the industry will be only a few million dollars. (As the AAR points out, delays of one kind or another are nothing new to railroads as they try to narrow the cost-price gap. The association estimates that since 1967, delays in granting industry-wide rate increases have cost the railroads more than $1.1 billion.)

Whether Phase 4 will be a blessing to railroads, or a curse, is not now known. Railroads could not help but benefit from any cost-deescalation which price controls might bring. But if these same controls hold their own rates down to levels which the ICC has already ruled too low, it will be another story.

All of this means that the railroads continue to do far less well on the bottom line than the top. Record revenues are a long way from being matched by record profits. Even if the present "good" trend continues, and the railroads are able to achieve the $900 million in net railway operating income for calendar '73 which AAR President Stephen Ailes predicted in a mid-year statement to Railway Age, the rate of return on net investment will still be only 3.1%, compared with 2.95% in '72.

● **Reasons for optimism.** There are good reasons, as Ailes says, to view the present situation with some degree of optimism—especially when today's situation is compared with that which existed four years ago. Since that dark time, when the railroads created ASTRO (America's Sound Transportation Organization) to look at where they were going, and how they were going to get there, there have been solid accomplishments, as Ailes recently told the Midwestern Association of Railroad and Public Utility Commissions at Chicago:

6 months 1973 (projected)	% change
417 billion	+ 8%
$7,200,000,000	+ 8.5%
$6,760,000,000	+ 8.6%
$ 440,000,000	+ 7.6%
$ 270,000,000	+17.9%
3.1%	+22.0%

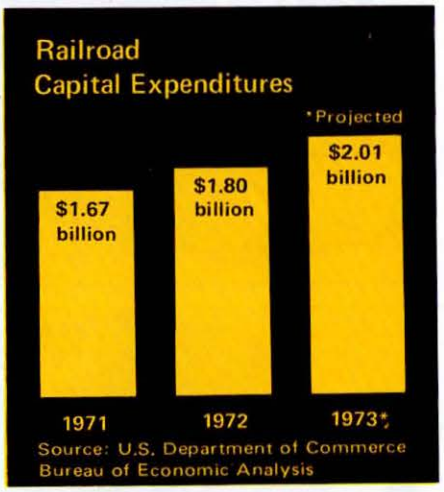
stay sluggish

"Amtrak has been established to relieve the railroads of most of the burden of passenger service deficits. The Interstate Commerce Commission is pursuing procedures to expedite the abandonment of unproductive branch lines. The American Trucking Associations, regulated water carriers, shipper groups and organized labor have joined in backing legislation helpful to the railroads. And the unions have agreed to a series of work rules revisions designed to help improve railroad efficiency."

The management/labor relations area, where acrimony and uncertainty have so often been the order of the day, week, month or year, now provides one of the bright spots in the total picture (see box, p. 32).

But while Ailes feels that for this and other reasons, railroads appear "to be on the right track, headed toward better times," he also knows that the track is still a rough one.

● **The Northeast.** Foremost among the industry's problems at mid-year '73 is the Northeast situation. Far more is at stake here than the Northeast alone or its six bankrupts, Ailes reminded his Chicago audience: "Penn Central alone handles nearly 19% of the nation's rail freight tonnage and provides more then 35% of the total ton-miles of service in the Eastern District. On a national basis, 70% of all railroad freight traffic is interchanged with one or more other railroads. In the case of Penn Central, 69% of its traffic either originates or terminates on some other railroad."



"Northeast crisis" solutions continue to be debated in Congress, ranging from nationalization to quasi-nationalization to continued private operation with a heavy infusion of Federal aid. The Federal government has so far bought none of these, but is instead arguing, at least publicly, for a private solution privately funded.

On June 27, a new proposal for resolving the Northeast situation—or more precisely, a patchwork of all proposals—emerged in Congress (see page 10). It calls for the merger of bankrupt carriers into the Northeast Railroad Corporation, which would originally be controlled by the Federal National Railway Association (which would issue up to $500 million in preferred voting stock). As soon as earnings permit retirement of this stock, control would revert to private ownership. The new plan appeared to have broad support, although Administration sources said they would continue to seek a similar solution with totally private funding.

Ailes has often stated the industry's position, and he restated it at Chicago:

"We in the railroad industry remain convinced that a private enterprise solution is possible through rationalization of railroad operations in the Northeast; that it can render an essential service; become self-supporting; and function smoothly and efficiently as part of the national system.

"I am confident, based on extensive discussions in the industry, that solvent railroads are prepared to cooperate in the achievement of a private enterprise solution and to undergo reasonable entrepreneurial risks toward that end. Some matters need to be dealt with, however, before that solution can be achieved."

It is on the question of these "matters" that the railroads and the Federal government, as represented by the no-aid position into which the Department of Transportation has entrenched itself, are at odds.

Says Ailes: "There is a growing consensus in the railroad industry—on the part of both labor and management—that the Northeast Corridor trackage between Washington and Boston should be taken over for passenger operations by the government, either by purchase or lease, and that the Eastern railroad freight system must be restructured to eliminate wasteful duplication.

"In brief, the railroad network of the Northeast must be restructured and its operations must be rationalized on the basis of present needs and today's conditions. If we take this course, the Northeast crisis can be resolved within the framework of our traditional private enterprise system, which is clearly the way it should be done. While some interim government assistance will be necessary during the transition period, this solution to the Northeast problem would obviate the need for any major outlay of continuing Federal subsidies and would not require that government undertake the financial risks of railroad property ownership, except for passenger service in the Northeast Corridor."

● **Impasse in Washington.** Equally as important to the railroad industry as resolution of the Northeast crisis—and

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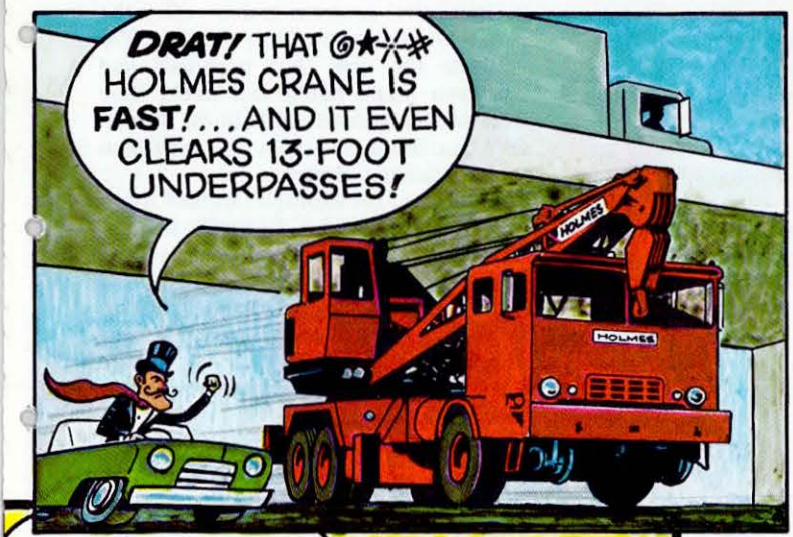

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Ailes is "confident" about 1973

What kind of year has it been so far? How will the second half shape up? Railway Age put these questions to AAR President Stephen Ailes in mid-June. This is what he said:

PROGRESS...

For the railroad industry, 1973 has so far been a good year in many ways. Traffic and revenues have set all-time records.

The year has seen major improvements in car utilization, attributable in large measure to the fruition of a number of railroad self-help programs, including information systems, new car hire rules, new marketing concepts and others.

These programs also helped the industry record its first decrease since 1961 in payouts for loss and damage claims.

The first half of 1973 also brought AAR Board approval for development of an expansion of TRAIN (TeleRail Automated Information Network) into Train II, which will provide substantially more—and more timely—car information than can now be gathered.

A car-pooling concept aimed at improving utilization and supply is also under active study.

A vigorous and expanded research program into a wide variety of areas has also been a highlight of the past six months. Many AAR projects are being carried on in cooperation with suppliers, the government, and individual railroads.

On another front, new car orders in the first four months of 1973 were more than two and one-half times greater than orders in the corresponding period of 1972.

A tentative accord—reached in March with all major unions, without the need to resort to the provisions of the Railway Labor act, and with a "crisis" atmosphere totally absent—was a pleasant surprise for many in and out of railroading.

PROBLEMS...

The continued serious problems of the Northeast railroads remain a troubling disappointment to many in the industry; as does failure to achieve quick action on the Surface Transportation Act and rate increases filed with the ICC.

The fuel shortage, which emerged as a serious problem for railroads in 1972, has continued, with a number of railroads maintaining supplies only through buying high-priced fuel on the "spot" market.

THE FUTURE...

Looking ahead, the year should be generally good. Traffic could reach 830 billion ton-miles for Class I carriers. Piggyback traffic should also set a new record. Revenues could reach a new high in the neighborhood of $14.75 billion, which would mean a net railway operating income of about $900 million. This would still leave rate of return, unfortunately, at a much lower level than it should be—a little over 3%.

Wage increases and inflation generally will increase railroad costs, thus reducing earnings.

But the remainder of the year also holds time—time to enact the Surface Transportation Act, and measures specifically aimed at solving the Northeast problems; time for action that will ease the fuel situation; time for adjustments in railroad rates to compensate for increased wage costs.

Given these possibilities and the probability of continued brisk business activity, the remainder of 1973 can be viewed with considerable confidence.

not unrelated to it—is the fate of the Surface Transportation Act which was introduced in Congress last year and has been reintroduced in the new Congress. That bill is now in deep trouble, because the Department of Transportation, backing away from the position of support which it adopted late in the last Congress (a too-little, too-late stand which many blamed for the failure of passage in 1972) now wants to rewrite STA in a manner unacceptable to its supporters.

Hammered out in three years of long and difficult negotiations involving railroads, motor carriers, water carriers, freight forwarders, the pipeline industry, various shipper groups, investors, labor leaders and Federal officials, the Surface Transportation Act as it finally emerged was heavily weighted to help the railroads (e.g., through massive equipment-acquisition assistance). But it won the support of the railroads' traditional rivals who feared that if railroads went under, they would follow.

The sweeping regulatory and financial package known as STA was introduced last fall as H.R. 16281. As Ailes describes it: "While the bill did not contain all the policy goals of any one group, it did constitute a wholesale reform of Federal policies sufficient to enable the railroad industry to overcome many of its long-standing problems. Shorn of some of the more controversial policy proposals that have been shelved by Congressional committees for years, this package also had a substantial chance for passage."

Now the DOT is proposing to revamp its legislative program and to offer the new version as a substitute for the STA.

While the new DOT proposals had not been made public last week, they were widely known—and almost universally condemned—within the regulated transportation industry.

DOT has, for example, backed away from its support for Federally insured loans for equipment purchases and leases—a provision intended to help marginal railroads expand their fleets of freight cars and locomotives. Right now such roads must pay 20% to 30% more than more prosperous carriers to finance new equipment.

Also lost to carriers, in the proposed new DOT version, would be aid in financing the modernization of the fixed plant. It is considerably more difficult to finance such improvements than to finance new rolling stock—because rolling stock, after all, can be repossessed and resold if necessary. The STA, as presently written, would reduce borrowing costs and make additional funds available for fixed plant.

There are numerous other changes in the proposals now being weighed by the Federal government which are a bitter disappointment to railroads. In the regulatory area, for example, DOT is now proposing a new intermodal cost floor as a substitute for the freedom to adjust rates either upward or downward, as provided in previous DOT positions.

New DOT positions on rate bureau activities, abandonments, and intermodal ownership are also opposed by STA's supporters.

While the STA drive appeared to be stalled, there was hope one of its key provisions—government-guaranteed loans and insurance up to $5 billion for plant and equipment modernization—would pass in another bill. This is the "northeast rescue" bill described above. In addition to proposing a solution for bankrupt railroads, this bill contains the equipment-and-plant-modernization provisions originally in the STA—the feeling being, as Congressman Brock Adams put it, that the entire industry needs help if further crises are to be avoided. Again, this could run into trouble at the White House.

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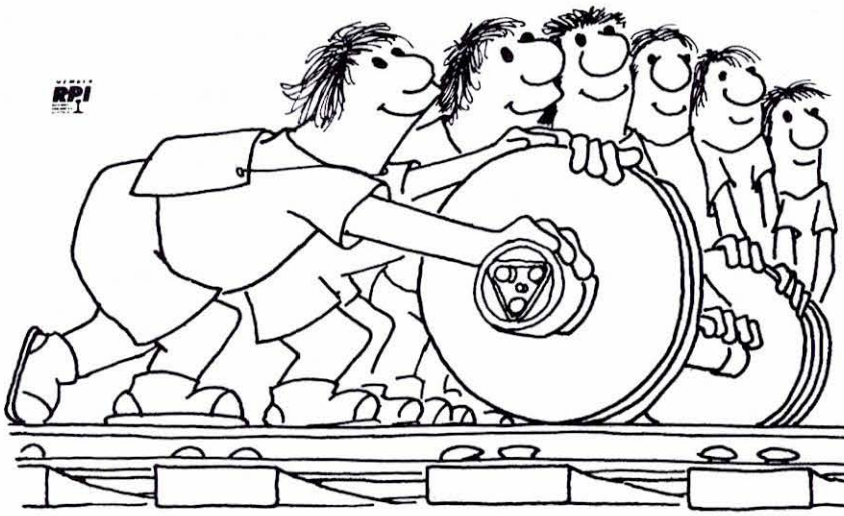

Circle 13 on coupon page 53

Labor: No explosions on the horizon

On the railroad management/labor front, it wasn't exactly *all* quiet—but things were still a lot more peaceful than most "experts" were predicting a year or so ago. Of the 15 labor organizations involved in the March 8 wage/benefit agreement, 13 have ratified and signed. Legislation affecting the Railroad Retirement system is moving through Congress smoothly, with management/labor backing. Most major roads had made significant progress in implementing work-rules changes provided for in the 1971-72 agreements with the operating unions: Cost-savings and service improvements were resulting, and, for the most part, the atmosphere on the individual roads where specific changes were being negotiated could be described only as good. Management and labor continued to talk over mutual problems at the highest level. And a growing number of roads were beginning to hold management/labor rap sessions at various levels at headquarters and in the field.

Management/labor affairs, however, are never totally problem-less. And, at midpoint 1973, there were worries about (1) the holdout unions on the '73 agreement, and (2) the United Transportation Union's continuing crew-consist dispute with Penn Central.

The case of the holdout unions was a puzzler. Both the International Association of Machinists and the Sheet Metal Workers' International Association were represented in the negotiations leading up to settlement, IAM by the Railway Employes' Department and SMWIA through a non-shopcraft union. Authorized representatives of both unions initialed the agreement, and that would seem to be that. But SMWIA thus far has not signed up. And IAM has been trying, after the fact, to withdraw its authorization to RED. SMWIA and railroad representatives had had a couple of fruitless conversations, but there had been no further talks with IAM. (IAM, in fact, also appears to be trying to ignore the rules of the organization of which it has been a part, the RED. Under a statement of policy and agreement adopted by RED about three years ago, an affiliated union agreeing to participate in a national movement (1) does not have the right to withdraw, and (2) agrees to be bound by a majority vote of the participating organizations. Five shopcrafts were represented through the RED, and four have ratified the resulting agreement.) And there is now the perhaps-complicating factor involved in the withdrawal of both IAM and SMWIA from the Railway Employes' Department itself—IAM's pullout effective June 14, SMWIA's July 1.

The case of UTU and Penn Central is something else again. Procedures of the Railway Labor Act have been exhausted, and PC is free to promulgate on crew consist. But, promulgation has been delayed "until further notice." A major reason: PC's deteriorated cash position. Being realistic, PC's trustees are well aware that promulgation would mean a strike—and if the railroad ever were in a position to take a strike, it isn't now. The irony, of course, is that reduction in crew size would save money—some for the short range and a lot more for the long range. But, the trustees have said, there has been little substantial progress in other key areas of reorganization—track abandonments and reimbursement for passenger-service losses, for example—and the cash position now is such that a strike of any duration might well make a restoration of service impossible. All of this, apparently, was leaving the next move up to the reorganization-overseeing court—which was scheduled to make some kind of move July 2. —Gus Welty

demands—largely as a result of export grain movement that have been running 40% ahead of the previous record year, 1966, and also due to a busy national economy generally—railroads this year have not been able to wait for hoped-for aid from Washington. Straining every available financial resource, they have been ordering new freight cars and locomotives at a brisk pace. This promises to push railroad capital investment this year far higher than earlier forecasts had indicated. Right now the Department of Commerce is estimating that total investment in railroad rolling stock and facilities this year will amount to $2.01 billion (including leased equipment). That compares with $1.80 billion actually invested in 1972 and $1.67 billion in 1971.

All of this is good news for railway suppliers.

Nils A. Lennartson, president of the Railway Progress Institute, told Railway Age in a mid-year statement: "Certainly the railway supply picture has brightened in recent months. As of May 1, the backlog of new car orders for private car builders stood at 34,267, an increase of 10,000 over April 1 and an increase of 23,000 over a year ago. The backlog in locomotives has also increased comparably. All of this also has resulted in a substantial surge in the activity of the builders of component parts. If the economy holds strong and as favorable legislation is enacted in behalf of the nation's railroads, we look for the railway supply situation to continue to remain bright."

Can the carbuilders cope with the rising demand?

Noting that an AAR group, under the chairmanship of Southern President W. Graham Claytor, Jr., is exploring the possibility of establishing a railroad-operated box car pool, Lennartson says: "At the request of AAR President Ailes, RPI has conducted a survey of its carbuilders to determine how many additional box cars private builders could produce the rest of this year and 1974. We have reported to Mr. Claytor that the private carbuilders could produce 15,000 additional 50-foot double-door box cars in 1974 (in addition to current backlogs). The industry could also produce another 12,000 box cars in the rest of 1973 and 1974 by adding extra employees without expanding physical facilities. In other words the private car builders have the capacity to produce an additional 27,000 box cars in the remainder of 1973 and 1974."

• **Building tomorrow's railroads.** Lennartson also takes note of a number of ongoing research projects in which the RPI is involved along with the AAR and, in some cases, the Federal Railroad Administration:

"A Tank Car Research Project began in March of 1970 to look at ways to improve the safety of a tank car in an accident environment. Recommendations for interlocking couplers and head shields to prevent tank car head punctures are being field tested.

"Early in 1972 RPI and AAR began safety research projects on couplers and truck components. These two projects are involved in looking at the current operating environment of couplers and truck components with an ultimate objective of preparing guidelines for an improved specification.

"The last and most significant research project jointly sponsored by AAR and RPI in cooperation with the FRA is the Track-Train Dynamics Project. This is a 10-year multi-million-dollar research effort which will look at all phases of railroading from operating practices to design of rolling stock. It has been hailed by leaders of the industry as being the foundation for building our new advanced railroads." ■

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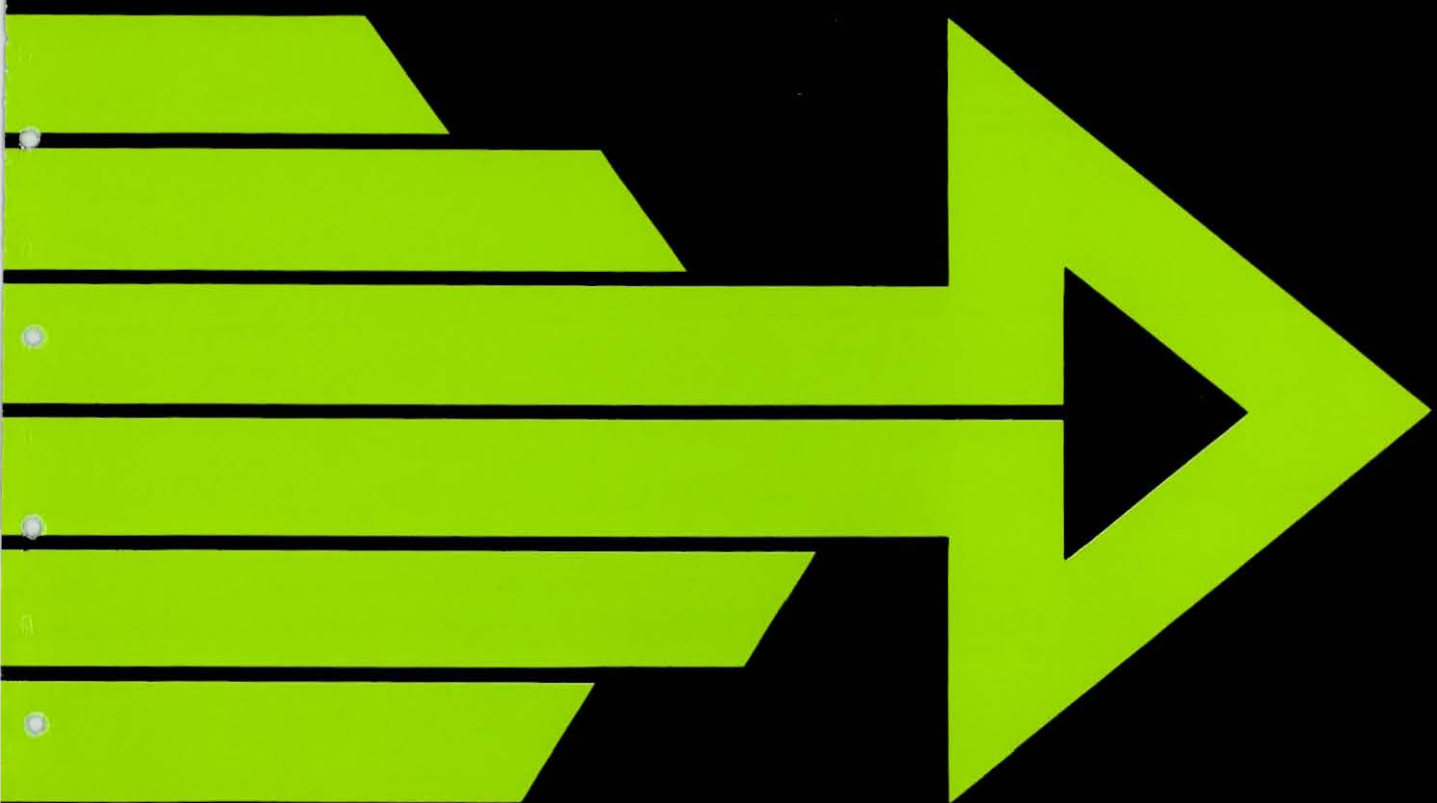

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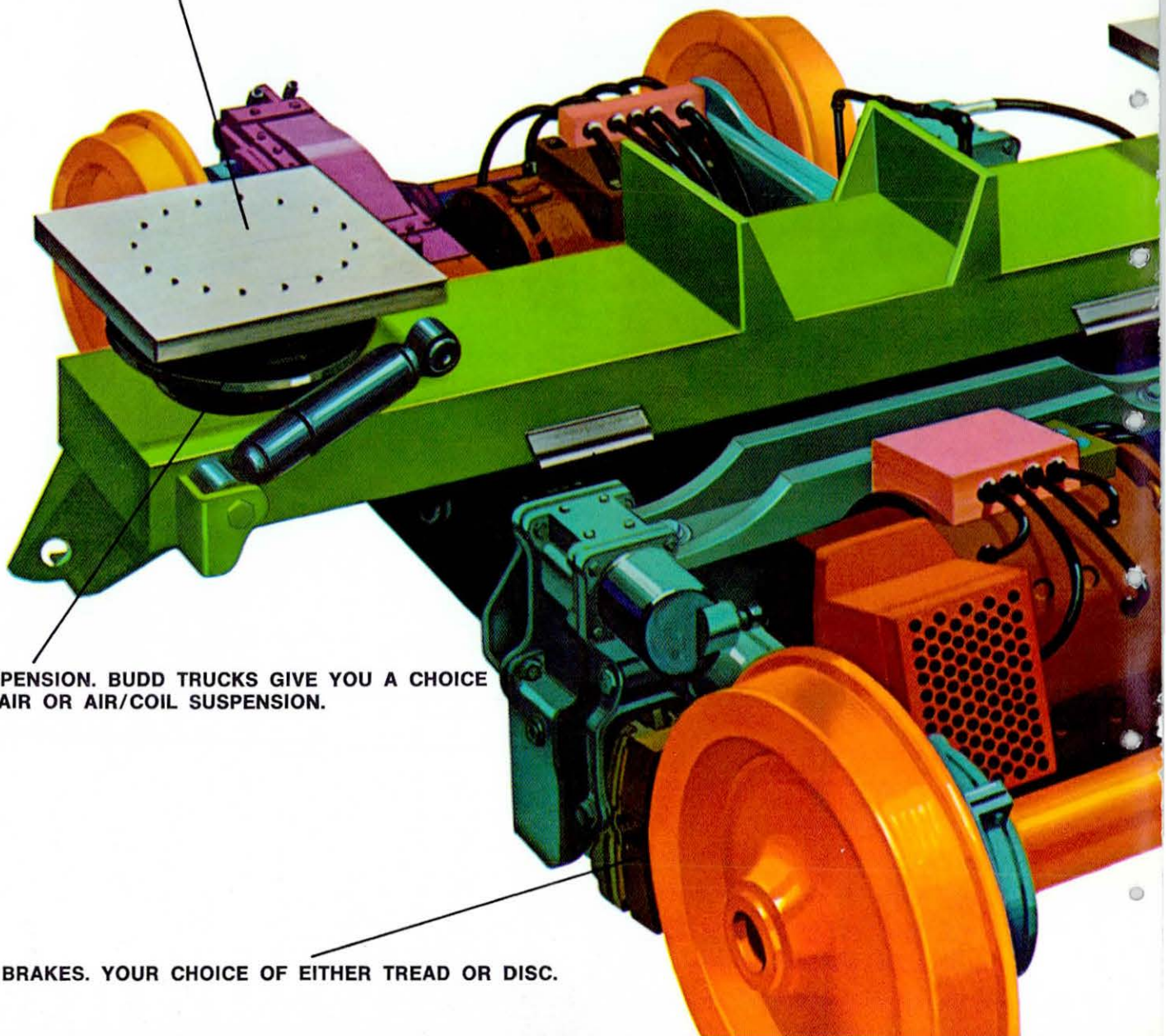

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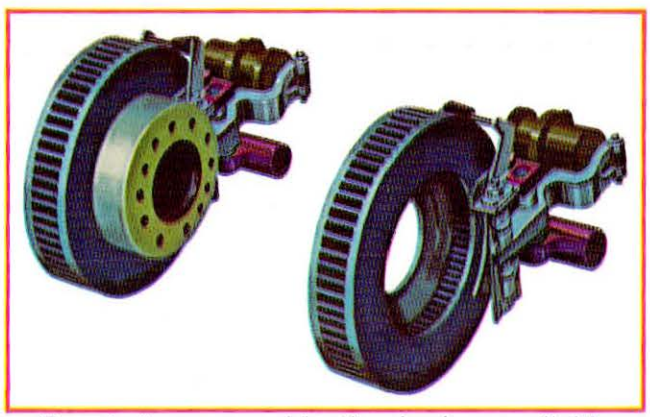

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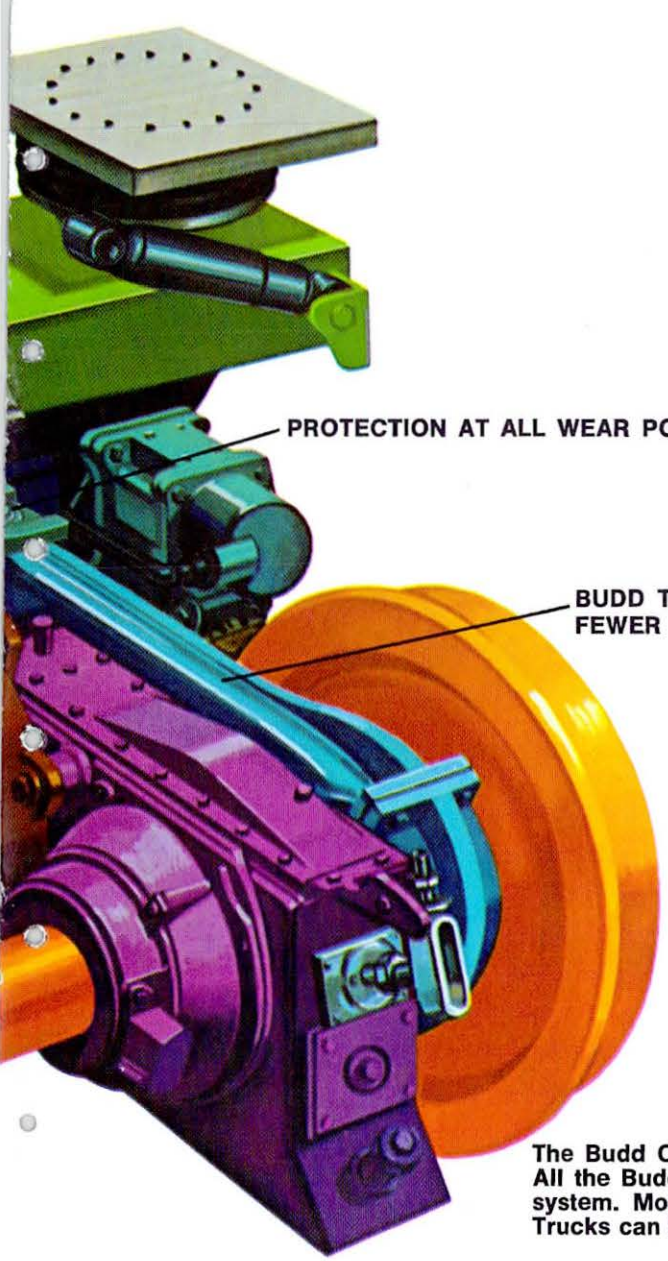
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MTA-NEW YORK	1900	4′8½″	8′6″	Air/coil	48,000	Tread	32″	3rd Rail
CTA-CHICAGO	300	4′8½″	6′3″	Coil	30,000	Combination	28″	3rd Rail
SAO PAULO-BRAZIL	396	5′3″	8′6″	Air	49,400	Disc	32¼″	3rd Rail
LINEAR INDUCTION TEST VEHICLE	2	4′8½″	8′6″	Air	32,500	Disc	38″	None

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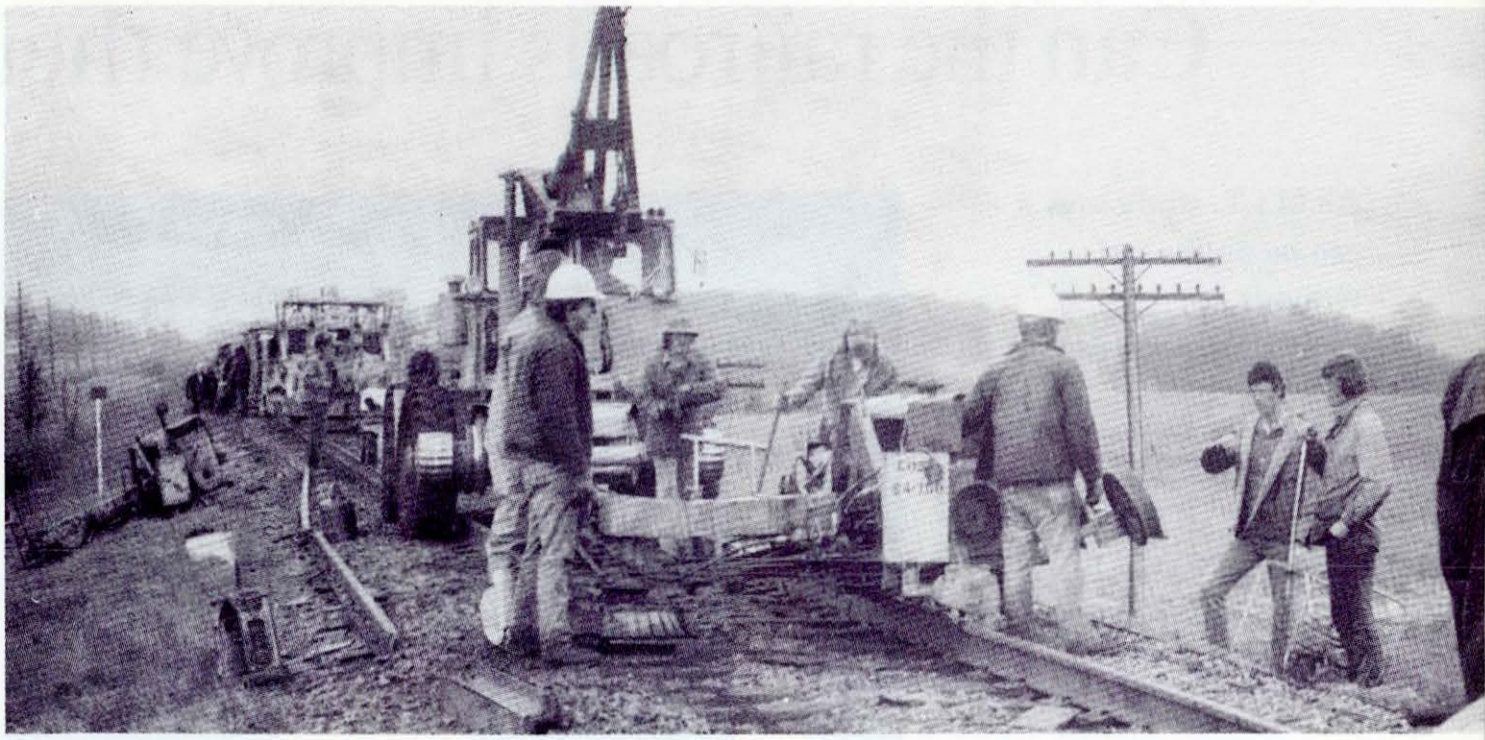


ONE RAIL GANG relays rail on one side of track and another, three strings behind, lays the opposite rail.

Rail work need not delay trains

One of the headaches of the transportation department, when trying to expedite traffic, is the rail-laying gangs which take the track out of service and apply slow orders over stretches where they are working. And, one of the difficulties of the track forces is getting enough time between trains so they can remove the old rail, lay the new and restore the track to operation. Soo Line has found a way in which undue train delays are prevented and, at the same time, the track forces get more on-track time.

Soo is a single-track railroad. Its planned rail program for 1973 includes four stretches of track totaling 80 track-miles to be laid with new 115-pound rail and two stretches totaling 30 track-miles to be laid with secondhand 100-pound rail. All rail to be laid is welded into 1,053-foot strings at Fond du Lac, Wis.

Formerly, the road's two system rail-laying gangs worked miles apart on different projects. This meant slow orders for trains at two locations and possible train delays at each location while the work gang was closing up the track. With no fleeting of trains, it also meant that each system gang lost production time more frequently while closing up for trains.

On the Soo it takes a rail gang about one hour or more to lay the first string of continuous welded rail from the time it has been given possession of the track. The gang won't open up the track until the foreman is assured by the train dispatcher that the track will be available for at least an hour, because he knows that otherwise he would be delaying the train. Hence, some production time of the rail gang is lost while waiting for the required track interval.

Soo engineering officers felt that something might be gained by working the two system rail gangs close to each other, one gang laying rail on one side of the track and the other on the opposite rail. Under this arrangement there would only be one slow-order point. Moreover, if the trains were fleeted, the rail gangs would have more on-track time. By having the two rail-laying units work about three strings apart, should a machine fail on one of the units and the operation get behind, one could be drawn from the other unit whenever it was necessary to close up for trains. Also, one foreman could supervise both units.

● **Plan has advantages.** The idea of having only one slow-order point instead of two was obviously an advantage for the transportation department. However, to make the most of the arrangement it would be desirable to fleet trains to give the rail gangs a maximum amount of on-track time. Thus, the matter developed into a trade-off between fleeting trains and the cost of idle time for the rail gangs, which was estimated to be $400 per hour. On this basis the decision was made to fleet the trains.

The plan for the present project is to fleet the trains before 8:30 a.m., from noon to 1 p.m. while the gangs are at lunch, and after 4:30 p.m. when the gangs would turn the track back to the transportation department. At some locations where traffic is heavy, it is possible that the fleeting of trains will necessitate keeping traffic operating until 10 a.m., but even this gives the track gangs more on-track time.

Each of the rail-gang units is comprised of 42 men. With this number, the production goal is three to five strings laid per day for each unit, depending upon the project location. Although this is the same goal established when the two gangs worked apart, it often was necessary to work overtime to achieve it because of train interruptions. With the tandem operation, the goal is readily achieved and frequently surpassed by the units without overtime. Under the new arrangement the rail-laying track time is about 5½ hours, and it is only necessary to open and close the track twice daily.

The transportation department has worked closely with the engineering department in establishing train schedules which permit using the tandem gang arrangement. On the other hand, track gangs will defer their starting time if an important train is running late. ■

Can the railroads improve their

An M.I.T. study says it can be done—and without big new capital expenditures.

By JOSEPH M. SUSSMAN*

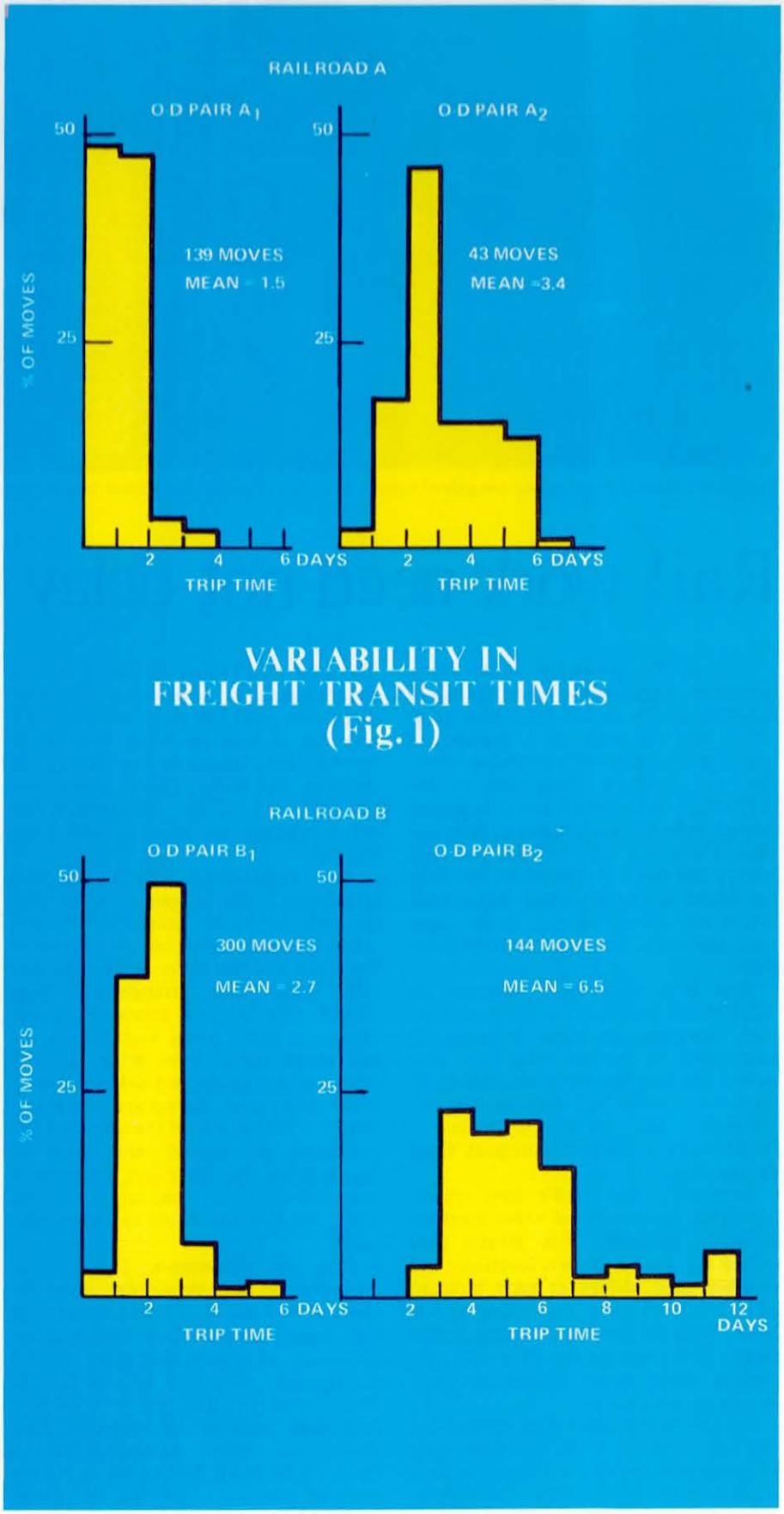
The United States rail industry has often been characterized as "unreliable" by critics and friends alike. Furthermore, this unreliability in performance has recently been pinpointed by industry authorities as a major factor in the stagnation of the rail freight market share over the past several years. Railway Age shippers polls have indicated that "with most shippers, it's reliability—not speed—that counts." In this context, the M.I.T. Department of Civil Engineering, under the sponsorship and guidance of the Federal Railroad Administration of the United States Department of Transportation, undertook a major research effort to consider the question of rail service reliability.

Based on this effort, it is crystal clear that while performance varies greatly, unreliability certainly exists in a major way. However, it's equally clear that operating strategies exist that can effect major improvements in the situation without major capital expenditures.

Unreliability means different things to different people. For the purposes of this study, unreliability was defined as the *variability* in freight transit times. As an example of this, consider the data in Figure 1 taken from actual operating data from several roads. Each curve represents data for trip time for a single origin-destination pair (originating yard to terminating yard—no local move included). We can see that there are large variations in trip times with occasional very long trips. This phenomenon is critical for the rail industry in two ways:

—Unreliable performance can cause the customer to incur higher inventory costs and hence a more reliable mode will be sought—shippers/receivers *do* incur costs as a result of trip time unreliability. Therefore, improving reliability will lower the logistics costs borne by shippers and, at constant rates, increase the demand for rail transportation.

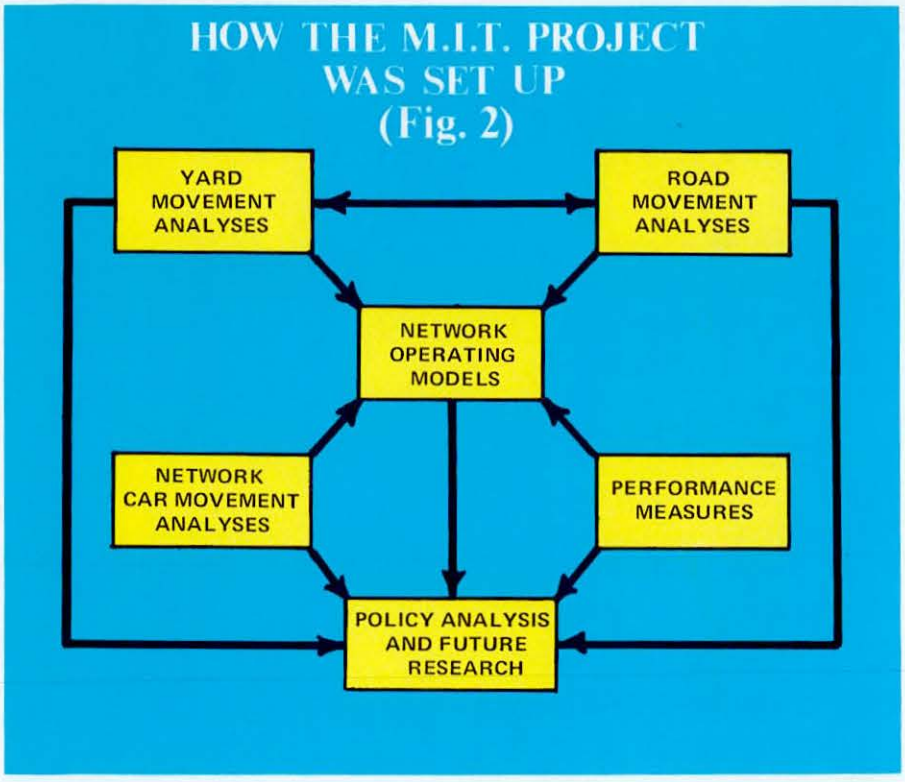
Unreliability causes underutilization of physical resources, the prob-



VARIABILITY IN FREIGHT TRANSIT TIMES (Fig. 1)

*Mr. Sussman is Associate Professor of Civil Engineering and Director, Rail Service Reliability Project, Massachusetts Institute of Technology.

freight-service reliability?


HOW THE M.I.T. PROJECT WAS SET UP (Fig. 2)
YARD MOVEMENT ANALYSES
ROAD MOVEMENT ANALYSES
NETWORK OPERATING MODELS
NETWORK CAR MOVEMENT ANALYSES
PERFORMANCE MEASURES
POLICY ANALYSIS AND FUTURE RESEARCH

lem isolated by Barber in his report as the most critical issue facing the railroad industry.

Thus, the FRA asked M.I.T. to:

—Quantify the magnitude of unreliability as it currently exists

—Isolate the causes of unreliability

—Establish quantifiable measures of unreliability

—Begin to formulate industry-wide strategies for dealing with unreliability.

The M.I.T. project can best be envisioned diagramatically (see Figure 2).

The study focusses on origin-destination performance. To consider this issue, network performance models were developed. These network models allow explicit examination of the effect of operating policy on network reliability. They can also be used to measure the potential improvements in reliability occasioned by improvements in subnetwork performance. Analysis of yard, line-haul, and O-D data were used to clarify yard and line-haul interdependencies and to ensure that reasonable parameters were integrated into the network models.

Also, since the over-all goal of this project is to provide guidelines for an industry-wide program to deal with unreliability, a special effort was made to ensure that the performance measures used were relevant to the shippers' perceptions of railroad service.

- **Performance measures.** The research concluded that two measures, "N-day-%" (the maximum percentage of moves between an origin and a destination whose trip times fall within a consecutive N-day period), and "%-late" (the percentage of moves whose trip times are greater than those included in the N-day period defined by the N-day-%), may be used as joint measures of reliability in most cases, but that the circumstances of each shipper should be considered wherever possible. Using these measures, we analyzed data on actual movements from two large railroads and found a wide spread in reliability across a spectrum of 253 origin-destination movement pairs. The "3-day-%" measures varied from 100% to well under 60% while the "%-late" measures (beyond the 3-day-% range) varied from 0 to well above 30%. What this data analysis made clear is that performance varies greatly. A substantial number of moves do not adhere to the widely sought goal of a 3-day-% of 90%.
- **Line haul reliability.** Not surprisingly, the research found that line-haul reliability was a problem in its own right, but that its direct contribution to over-all reliability was probably not as important as that of yard reliability. While it is difficult to generalize from the disparate sets of data which were analyzed during the course of this work, the standard deviation of road train arrival times seems typically to be in the range of one to three hours. This sort of performance may not in itself be a serious problem, but its impact on yard movement reliability can be.

A finding that the variation in departure time from the initial terminal contributes a large share of the variation in arrival time at the final terminal is of particular significance here. While in most operating situations there may be opportunities for improving the reliability of running times, this may only make more obvious the need to improve the reliability of dispatching trains from their initial terminals.

As for running time itself, the research suggested that mechanical failures may not of and by themselves be as pervasive a problem as some might assume. In this regard, however, two special factors warrant mention. First, where road engine failures are frequent, they can have an important effect on reliability because of the long delays which they tend to cause. Second, very long trains tend to magnify the effect of such mechanical failures as do occur and thus can figure importantly in over-all network reliability.

- **Yard reliability.** Even when viewed in isolation from other aspects of the problem, yard reliability emerges as a problem of central importance to over-all movement reliability. It is clear from our work that in the typical yard many cars miss their scheduled connections and thus incur substantial delays on a chance basis.

With respect to reliability, the essential consideration is not the time a car requires to transit a yard, but the probability it will make its scheduled (or most appropriate) outbound connection and, if it does not, the length of the ensuing delay. From the data analyzed to date, it would seem that 10% to 20% missed connections may be usual; 30% or more missed connections may not be unusual. The research results also show the performance in this regard varies widely from one yard to the next *and* from one inbound-outbound schedule pair to the next.

As was to be expected, the research showed a strong relationship between inbound lateness, scheduled yard time, and the probability that a car would make or miss its connection. This result was used in the network simulation to show more explicitly the tradeoff between over-all trip time and reliability as scheduled yard time is varied.

The research suggests, however, that inbound lateness is probably less im-

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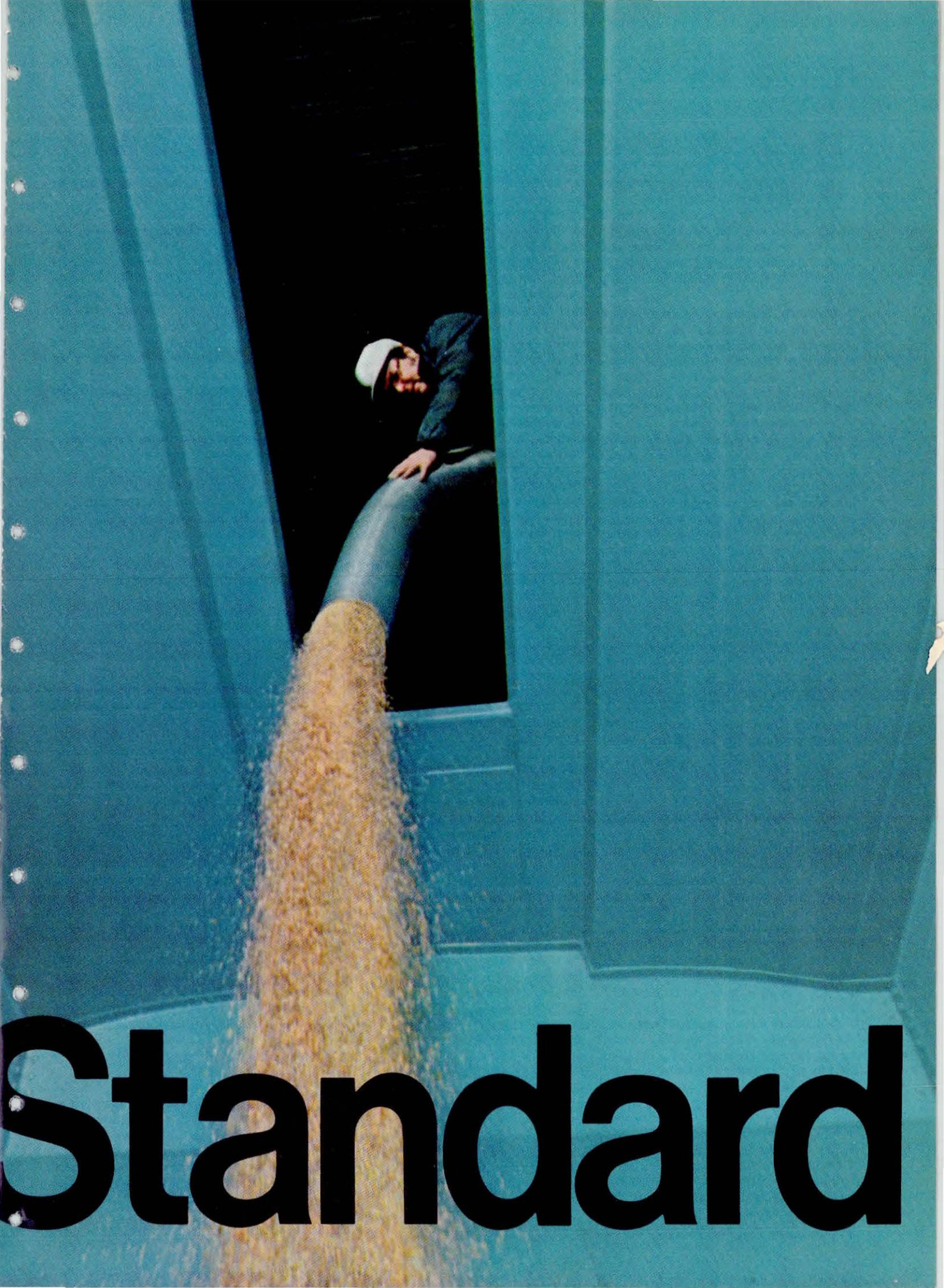

Standard

Dialogue with shippers called essential

portant than outbound dispatching policy in determining over-all performance. In particular, the cancellation of outbound trains can have a significant effect on yard performance.

Finally, the analysis of yard performance in this initial research suggests that the delays due to bad orders, no bills, mis-routing, etc., are relatively unimportant (though not to be entirely ignored).

● **Network reliability.** Given line-haul and yard performance as described above, the research findings with respect to network interactions were not surprising. The most obvious was that *a reduction in the number of yards handling a car increases the over-all reliability of its movement significantly.*

It was also shown that network dispatching policies affect car movement reliability. For example, train frequency apparently has a marked effect. Likewise, policies with regard to holding outbound trains for more traffic or for late connections clearly have an effect on reliability. In addition, variability in either the nature and amount of traffic, the number of trains, train arrival times or train processing times can be important.

Average train length, of course, crops up in many of the research results as an important parameter, both in its own right and because of its relationship to train frequency and to the possibilities for bypassing yards. The research suggests that train length deserves more explicit attention in any further work on network reliability.

Conclusion

Several major conclusions emerged from this effort:

● **Unreliability exists.** Car movement data for a number of different railroads were investigated. Although performance varies greatly from yard to yard and from train to train, significant origin-to-destination unreliability was evident on each railroad. This, together with the fact that only 30% of all shipments are local moves, indicates that there is an industry-wide reliability problem.

● **A dialogue with shippers is essential.** The impact of variability in transit times cannot be predicted without a detailed analysis of a shipper's logistics system. Hence railroads should continue and expand their current programs to determine and to provide the level of service desired by their customers.

● **The classification yard is at the heart of the problem.** The more times a car is switched, the more likely an unreliable move will occur. The unreliability induced by over-the-road problems tends to be small when compared with the substantial unreliability induced by yard operations, and particularly by missed connections. In fact, even the problem of late train arrivals is more a function of original dispatching delays and delays in yards en route than it is of over-the-road delays.

● **Unreliability can be improved in the short run and without major capital expenditures.** The research indicates that substantial improvements in reliability can be accomplished by modification of operating policies such as those governing train dispatching, train length, train schedules, and the classification process. Put another way, the railroads can achieve improvements using mechanisms wholly within their control, i.e. without spending a great deal of money on capital facilities and without awaiting major institutional or commercial changes in, for example, work rules or line abandonment procedures. That is not to say that these latter changes will not help the unreliability problem. Surely they can. It is to say, however, that improvements can be attained in the *short run in the operating theatre.*

The project results lead to two major low cost possibilities for improving reliability:

● **Through-blocking.** The research does not simply suggest that railway operating men are correct in their intuition that through-blocked trains allowing by-passing of intermediate yards are a "good thing." It suggests more explicitly *that they may offer the most cost-effective way to improve network movement reliability.*

● **Schedule adherence.** Our analysis of a classification yard suggests that failure to adhere to outbound schedules (e.g., by cancelling block or train movements) can be a major cause of delays in yards. Further work on other yards reinforces the conclusion that schedule adherence is a critical determinant of network performance, because of the interaction between events at succeeding yards. The most interesting work, however, was that done with a simplified network simulation model. This work showed that origin-destination reliability is sensitive to train dispatching policies, as well as to variations in day to day traffic input.

Both of the above suggestions are quite consistent with the intuition of railway operating men. The difference is that this work shows the explicit nature of these relationships; when adapted to a real-world situation, this work should permit making quantitative estimates of the likely changes in routing, scheduling and schedule adherence.

Generally, the research to date demonstrates that the first place to look for improvements in reliability is through alternative operating policies, many of which need not be costly or time-consuming to put into effect.

Finally, it should be stressed that this research effort, though conclusive, has merely scratched the surface of the unreliability issue. There is a great deal yet to be done. Transferring these results to practice is a clear first priority. In this regard, the FRA has extended support to M.I.T. for study of a portion of a major railroad which is to be completed this year. The idea is to apply the results of the research to a particular railroad in a concentrated manner so as to

1. Verify the findings;
2. establish procedures for practical implementation of the results;
3. suggest potential operating strategies for the subject railroad.

In short, it is hoped that this new research can help any railroad to implement effectively the results discussed herein.

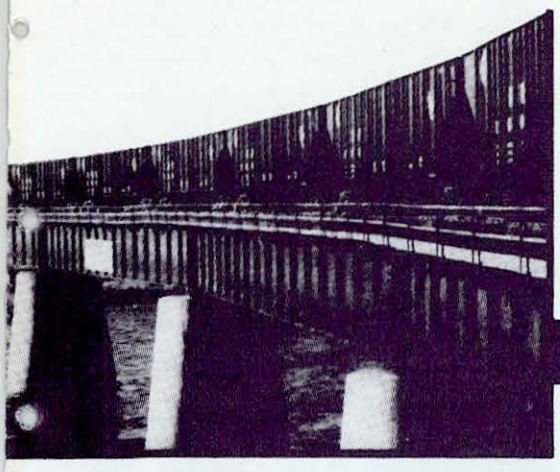
The research and railroads

An effort such as this one, especially when carried out in an academic environment, *must* retain its touch with reality. It is all too easy to go "off the track" and establish results which are useless to the industry, misleading or perhaps simply wrong. In this regard a major effect was made to ensure that the research would be relevant by tapping as many industry sources as possible.

Thus, in addition to substantial inputs and guidance from the FRA, we have had heavy interactions with eight railroad companies and lesser communications with several others. Meriting particular thanks are the following: Boston & Maine; Burlington Northern; Chessie System; Chicago, Rock Island & Pacific; Penn Central; St. Louis-San Francisco; Southern Railway System, and the Southern Pacific.

Industry people too numerous to mention contributed data, advice and feedback as the research progressed, and while M.I.T. clearly takes responsibility for the results of the work, the viability and usefulness of the work, as far as it may exist, owe a great deal to the industry.

We mention this, not only in the spirit of thanks, but also as a demonstration of the interest of the industry in bettering itself through substantive research. We take the industry's cooperation as an indication of the seriousness of the unreliability problem and of the industry's desire to do something about it. ■



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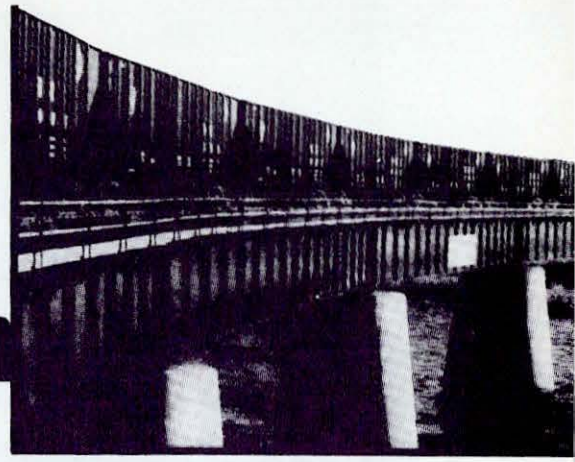

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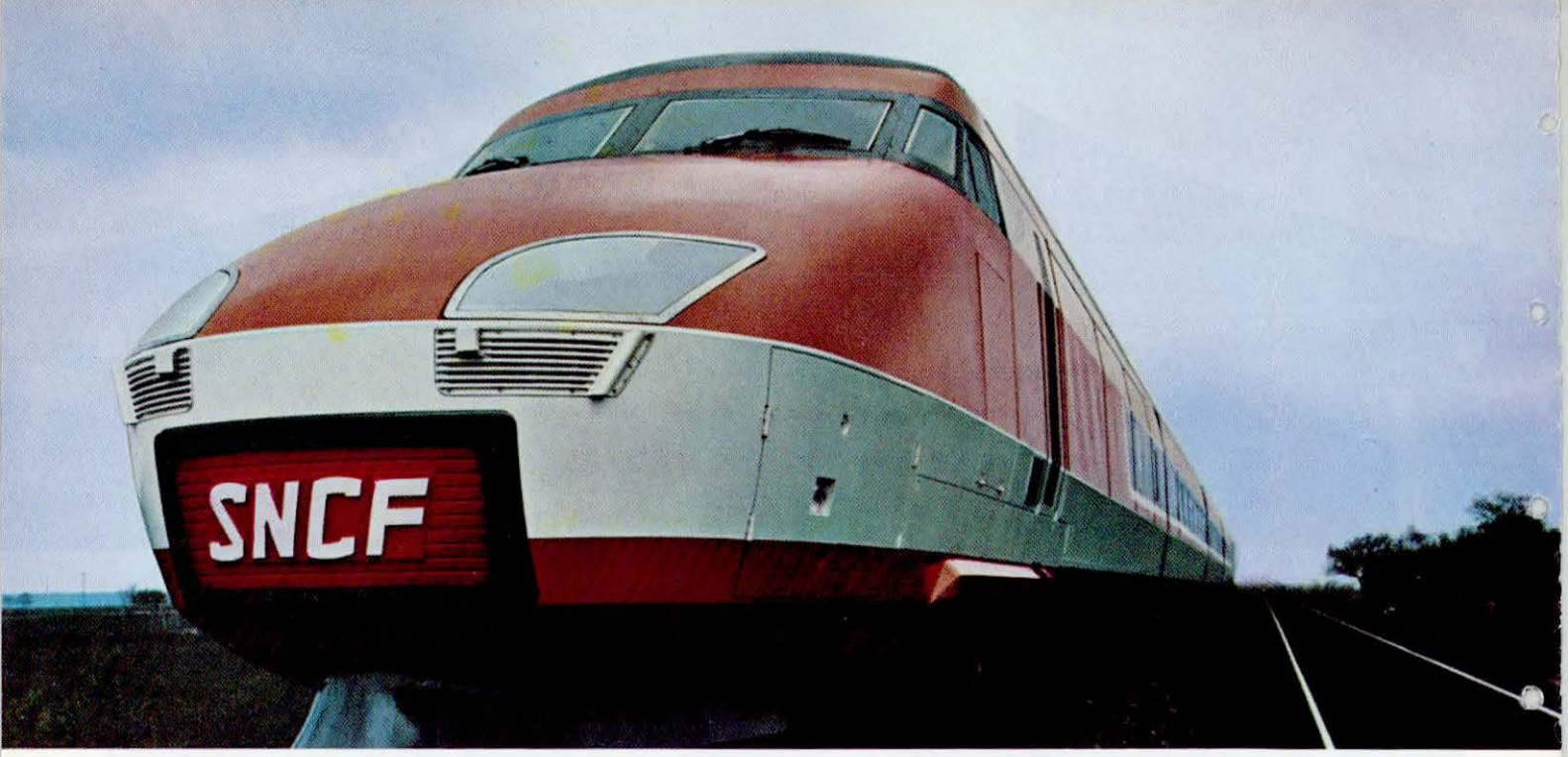

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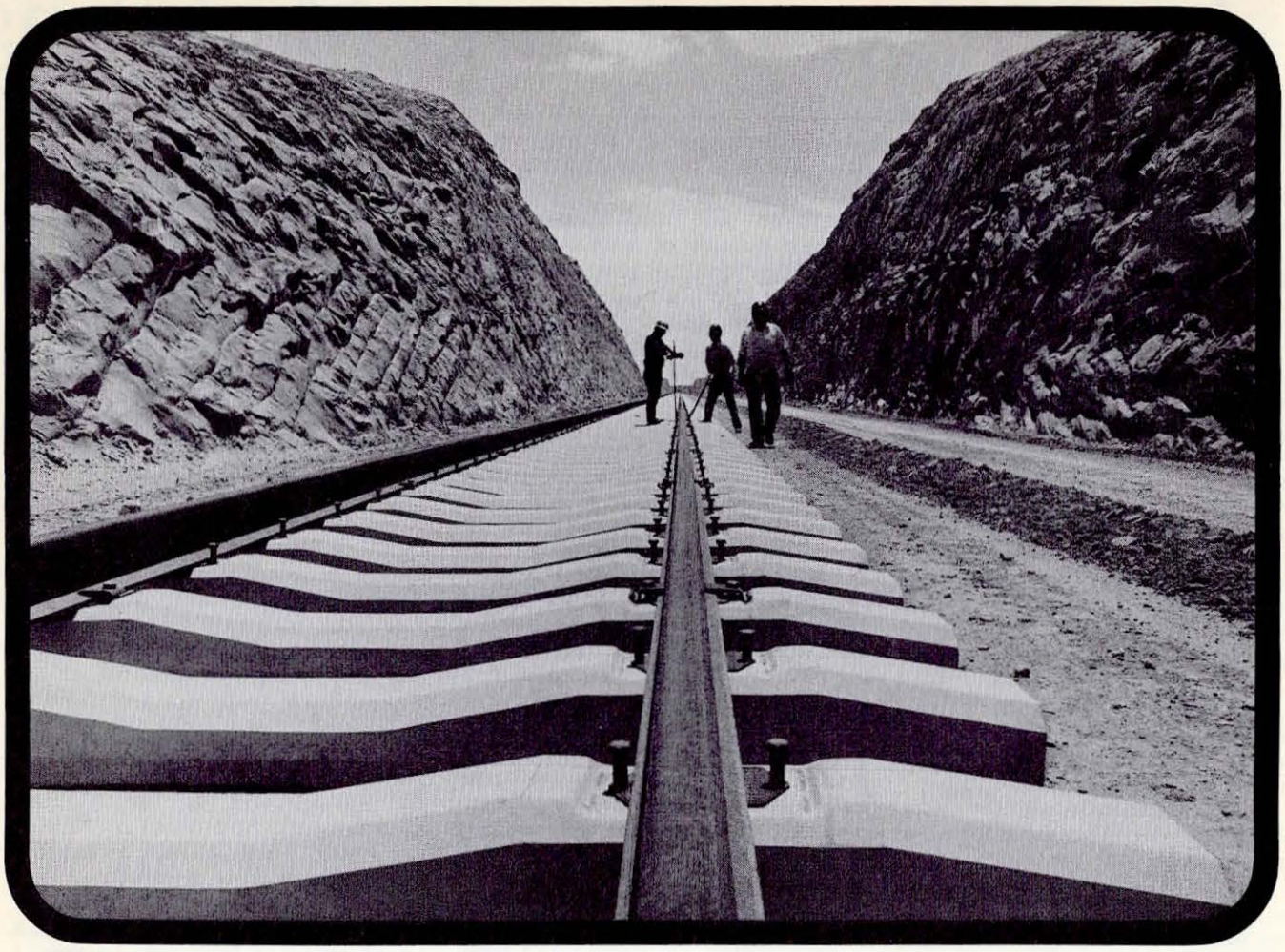

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UMTA's new thrusts: Marketing

In the four months since he succeeded Carlos C. Villarreal as head of the Urban Mass Transportation Administration, Frank C. Herringer has remained something of an enigma. No publicity-seeker, he has had very little to say, publicly, during his period of "on the job" training.

But now—after sifting through the plethora of programs which he inherited, and after subjecting the UMTA organization to the microscopic examination of a solidly-backgrounded management consultant (which he happens to be, by profession)—Herringer has very much to say, about UMTA in particular, and the future of mass transportation in general, as Railway Age discovered during a recent exclusive interview in Washington. Excerpts from the taped exchange follow.

Q. Mr. Herringer, what is the thinking behind your decision to create the new position of associate administrator for management and marketing?

A. The historical emphasis of UMTA has been on helping, first, the planning of transit projects, and then the execution of the capital end of these projects with the capital grants program. There has been little or no emphasis on the management of transit systems or the marketing of the product. The needs in the planning and the capital area were, of course, more pressing in the early years of the program. However, now I think that, partly as a result of the capital grants program, we have some transit properties that are getting into the position of having a product that can be marketed. New York is one example. San Francisco is certainly another. Here we have a convenient, attractive, comfortable product that can attract riders as it offers good service. Because of the history of the industry, there has been no buildup of particular marketing expertise; one sees opportunities for the transfer of marketing techniques from the consumer business.

Secondly, as a former management consultant I can see certain weaknesses in the management structure of the transit industry. Historically, this industry has consisted of many small companies which have come together into larger entities but have not yet brought management professionals into the business to plan and control.

With these two needs, I thought the way to give them emphasis within UMTA was to establish an associate administrator for transit management and marketing. His first job will be to figure out what we *can* do to help act as a catalyst in this area. I have discussed this with a number of transit operators; they seem to be enthusiastic about it.

Q. You have also talked about creating the new position of associate administrator for transit planning and service innovation. . . .

A. That is the result of a number of decisions about the organization structure. The present associate administrator for operations is responsible for capital grant management and also has the technical studies program, and thus controls over $900 million, or around 90%, of our total program. I am concerned that with the planning and the capital grant approval in the same organization two levels below the administrator, that issues which perhaps should reach my attention might not—that the kind of creative conflict that we look for in an organization may not exist. Holding one person responsible for an $875 million capital grant program is sufficient at that level, without expecting him also to grope with the institutional and government relations problems of the planning and technical studies functions. So the first decision was to break that up, and separate the capital grants from the technical studies and the planning.

Then we have the research and development and demonstration function. I see very little relationship between development of the State-of-the-Art Car (SOAC) or development of the Transbus or PRT, all of which is hardware-oriented research, and running a bus company, which is what the Shirley Highway project is, or our planned intermodal integration project, which is institutional in nature, working with cities and metropolitan planning authorities to develop institutional and other service oriented demonstrations. I see very little relationship between the two. The associate administrator for RD&D is not oriented toward marketing, or toward the public; he is oriented toward developing projects and getting hardware out in minimal time and at minimal cost. I feel that particularly the demonstration end of RD&D should be closely tied in with the marketplace in the cities and the metropolitan areas; therefore I wanted to move that out of RD&D.

Now there are some real advantages in combining these functions—the planning and technical studies functions, and operating demonstrations. Both involve contact with local transit bodies: that's where the demonstrations will be taking place, especially the intermodal integration program, which will involve contact not only with the transit bodies but also with the institutions, the people the technical studies group is dealing with all the time. So I decided we should establish an associate administrator for transit planning and service innovation. Now this isn't necessarily an ideal answer to the situation. I am particularly concerned about the split between transit management and marketing and transit planning and service innovation. I feel it is tentative; we'll see how it works for six or eight months and perhaps make adjustments as necessary.

Q. Are you generally satisfied with the order of priorities established under your predecessor?

A. Priorities, of course, change with time. What may have been satisfactory two years ago may no longer be satisfactory—not because it was the wrong decision two years ago but because times change and emphasis changes. With something like the RD&D program, it's not very easy to come in and say, "All right now, we're going to shift all our money from buses to PRT or vice versa." When you have an ongoing program, you have a certain built-in inertia—not alone inertia, but spending contracts have been signed and there's a lot of carryover from year to year. I can't say that I've seen any glaring imbalance in the program. It's generally satisfactory. We have something of everything and that may be a problem. When I see that we have 145 RD&D projects, ongoing and alive, I wonder about that; I wonder if we wouldn't be better off if we concentrated our efforts and our dollars on fewer projects with greater scope and really concentrate on doing a good job in those.

Q. There have been reports that the Administration was backing away from so-called "Flash Gordon technology" with the view to putting available resources into available technology to solve today's problems. Is that an oversimplification?

A. When I reviewed the RD&D program I didn't see much that I would characterize as Flash Gordon-type technology development. We get to the question ultimately—and I don't have the answer yet—of what should the government's role be in research and development. I have discussed this with a number of people in the industry; no one seems to have a satisfactory answer. Now there's one school of thought which holds that the government should be out on the point, and should be doing the Flash Gordon-type research, and leave the more prosaic research to the industry.

and management

Others feel that we should invest our money in near-term payoffs. Neither is probably the whole answer, so we're trying to achieve a balance. I have not so far made any major changes in the balance of the R&D program. There has been no pressure from outside UMTA for a major shift of the R&D dollar from longer-term to nearer-term. We are now going through the fiscal '75 budget cycle and this will be my first real shot at the budget.

Q. Do you see urban applications for such advanced technology as tracked air cushion vehicles and magnetic suspension systems?
A. There are two ways to look at the TACV situation. One is, where does it now fit, where could we now use a TACV? And I would have to say that in urban environments there are very few places where tracked air cushion vehicles would be practical. The most commonly cited example which is closest to actual development is the Dallas-Fort Worth airport situation.

If you're going to make a case for tracked air cushion vehicles you have to look beyond the current configuration of cities, and look not only at where this vehicle might fit but at what its potential might be for changing the way in which cities develop. I commuted from Stamford, Conn., into New York City; it took me an hour or more, depending on what happened to Penn Central, and that was a distance of about 45 to 50 miles. Now with a TACV, you could go 120 miles in an hour. This would make possible satellite cities, green belts and some of the other configurations that urban planners talk about.

Q. Why would you need TACV to accomplish that?
A. You would not, of course, necessarily. I understand the Europeans are getting ready to deploy 180-mile-an-hour steel-on-steel trains. If that works, I suppose it would serve the function equally well. TACV is just one possibility.

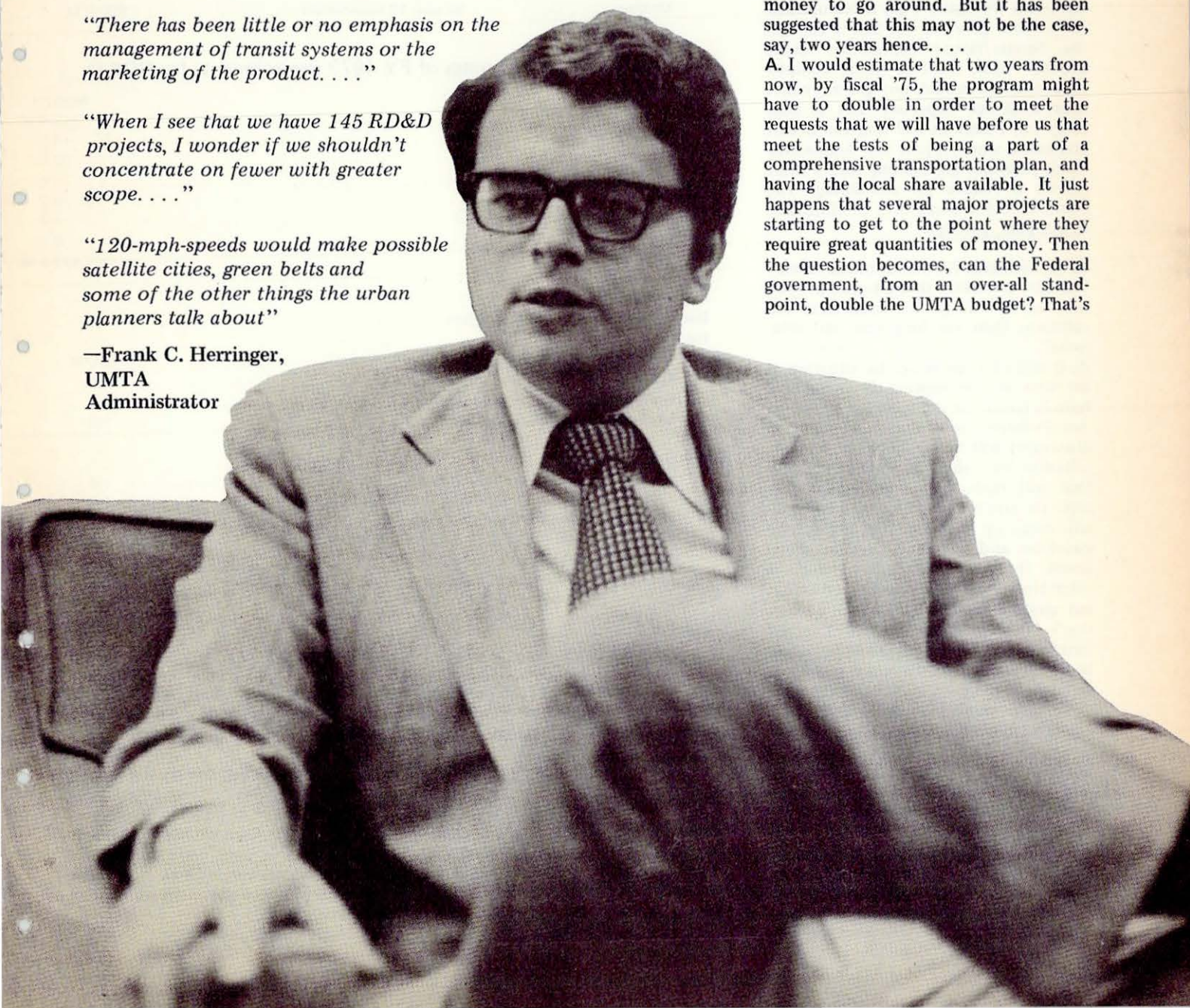
Q. During the first few years of the Urban Mass Transportation Assistance Act, there seems to have been enough money to go around. But it has been suggested that this may not be the case, say, two years hence. . . .
A. I would estimate that two years from now, by fiscal '75, the program might have to double in order to meet the requests that we will have before us that meet the tests of being a part of a comprehensive transportation plan, and having the local share available. It just happens that several major projects are starting to get to the point where they require great quantities of money. Then the question becomes, can the Federal government, from an over-all standpoint, double the UMTA budget? That's

"There has been little or no emphasis on the management of transit systems or the marketing of the product. . . ."

"When I see that we have 145 RD&D projects, I wonder if we shouldn't concentrate on fewer with greater scope. . . ."

"120-mph-speeds would make possible satellite cities, green belts and some of the other things the urban planners talk about"

—Frank C. Herringer, UMTA Administrator



a question that really goes beyond my perspective. You've got to talk about the tradeoffs between dollars spent here and dollars for health, education and welfare, community development, the FAA, and everything else. As an educated guess, I'd say the program may grow, but I really doubt that it will grow by a factor of two. That leads me to the conclusion that we will have more requests than we have funds available.

Q. The picture would, of course, improve if you were able to get a provision into the highway bill for the discretionary use of Highway Trust Fund monies by the cities.

A. That would certainly help. This is a three-year highway bill. The feeling is that if we lose this time around it will be another three years before we can go back and try again. I get more optimistic as time goes on. At first I thought the Senate/House conference would produce some kind of quick compromise and we would not get anywhere near what we expected. But as time drags on, I start to feel that the Senate conferees, who support the Administration's position, are holding fast. I think there's a chance for something. This could take the form of a modification of our plan, perhaps.

Q. As demands for the available money increase, is it likely that a higher proportion of it will go for short-term bus solutions than for long-term rail solutions?

A. It will all depend on the situation at the time we are making the decision. I have in mind, for instance, the Clean Air Act. Perhaps a contribution to pollution abatement will become our number one criterion for a short period of time, and that will rank certain projects at the top. Or maybe not. Maybe somebody will come up with some great catalytic converter and we won't need to worry about that. On the other hand, if ridership were the controlling criterion, rail might well rank at the top. I really don't know how we'll do it. I'm not looking forward with great anticipation to being put in that situation, and when we are—if we are—I would consult with all of our publics to work out some equitable system.

Q. Could you give a specific example of how UMTA might be called upon to act in a pollution-abatement situation?

A. If Los Angeles, for example, must meet the requirements of the Clean Air Act by 1977, the only feasible response in terms of mobility is buses. You just can't put a big rail system into Los Angeles by 1977. The advantage of buses is not only that you can put them in quickly, but you're not stuck with them. If you then develop a rail system, or develop one concurrently, the buses can be used to feed it, or can be sold elsewhere. It doesn't lock you in. I certainly don't feel that we should preclude long-range answers for short-range reasons. For short-range problems we may have to take some short-range steps. But mass transportation is going to be with us forever, and we have to look at it in a long-range way. A city like Los Angeles would be wrong to take a short-range solution and forget all about the long-range problems.

Q. Some say that rail transit is good for cities with a million or more population, and that buses can best do the job in smaller cities. Others have different criteria. What is your own view of the future of rail transit in those large cities which are not now operating or building rail systems?

A. I really can't answer that question

WHERE FEDERAL TRANSIT MONEY GOES

UMTA Program, Fiscal 1973: $1 billion

Capital grants and loans	$863.7
Technical Studies	33.5
	897.2

(All figures are approximate)

Bus Projects: $212.7 Million

Los Angeles	220 buses, misc. equip.	$10.8 M Fed.
Wash. D.C.	300 buses, acquisition	70.3
Phila., Pa.	300 buses	8.2
Orange Co., Calif.	162 buses, misc. equip.	10.9

Rail Rapid $605.2 Million

New York	400 subway cars (2 grants)	$78.8
BART	100 cars	27.2
Boston	150 trolley cars	32.8
Baltimore	Phase I, new system	22.5
New York	2nd Avenue Subway const.	30.0

Commuter Rail $45.8 Million

Chicago	34 cars, 13 locomotives	$20.9 M

Preliminary estimates of FY 1973 commitments for RD&D

Program Area	Amount
Bus transit	$15.8 M
Rail transit	14.7
New Systems	33.4
Systems Analysis and Evaluation	0.4
Service Development	4.2
Transit Operations and Management	4.4
Planning Research	0.3
	$73.2 M

Major projects:

Bus— Transbus $14.6 Million

Rail—

Rapid Rail Vehicles and Systems (Boeing-Vertol)	$2.6 M
GTE Commuter Rail Cars (New York MTA)	4.0
Rail Supporting Technology (TSC)	4.5
UMTA-FRA Rail Dynamics Laboratory, Pueblo	2.5

New Systems—

UMTA Transportation Planning System (various)	1.9
Test and Evaluation of TRANSPO PRT's	1.9
High-Performance PRT System Development	2.6
Haddonfield Dial-A-Ride Demonstration (NJ DOT)	1.3
Morgantown PRT System	14.3
Urban Tracked Air Cushion Vehicle	6.3

"I would estimate that two years from now, by fiscal '75, the program would have to double in order to meet the legitimate requests that we will have in hand." —**UMTA Administrator Herringer**

because I don't know. Atlanta is 20th on the SMSA list [Standard Metropolitan Statistical Areas] and Atlanta is building rail transit, but 10 larger cities are not. The reason is that Atlanta has some unique characteristics which make rail economically attractive. There is the factor, too, of technological change. If we get some breakthroughs in rail tunneling, that could make rail more attractive than it otherwise might be. It also depends on what you call "rail." Pullman-Standard is proposing a steel-on-steel vehicle for the Las Vegas PRT. Is that rail? If it is, there's another possible rail application.

Q. Do you feel a workable Federal formula can, or should be, arrived at to help communities make up transit operating losses?

A. No I do not. Our position is, and my personal feeling is, that an operating subsidy is most properly provided at the local level. Decisions to incur a deficit, and decisions that affect the size of the deficit, are operating decisions made at the local level; the interjection of Federal money into that situation is not going to make the local tradeoff decisions any easier. The Administration is certainly not opposed to deficits or subsidies. The Administration's position is that subsidies should be provided at the local level. Revenue sharing is one possible source of funds.

Q. The first four years of UMTA under the Nixon Administration was a period of legislative activity, and then getting various programs started under the terms of that legislation. What do you hope will be accomplished during your period of UMTA leadership?

A. I would like to see every major metropolitan area in the country have an effective regional, comprehensive planning agency with programming authority. One of the major obstacles to further advancement in mass transportation is the institutional problem. I feel that with our capital grant money and our technical studies money we have an incentive, a carrot to hold out to encourage local areas to organize and consider transportation problems as a single problem. I would like to see Los Angeles, in particular, set on a good course. Los Angeles is a unique situation: it is big enough and unusual enough to be mentioned as a challenge in and of itself. I would like to see Los Angeles well on the road toward an objective plan—in terms of mass transportation, implemented with local and Federal financing—that in five to seven years could bring some order into that situation.

From a Department of Transportation point of view, somewhat beyond the realm of the Urban Mass Transportation Administration, I would hope that we could develop a structure within the Department to deal with the total urban transportation problem, and not just the "mass" section of that problem. I sometimes feel that we, from our perspective, are suboptimizing in solving the great mobility problem in the cities. We do not look at urban goods movement, for example. We haven't really considered to a sufficient extent the low-capital-intensive solutions to the problem—encouraging companies to provide subsidies for transit fares, for example. There is a need in the Department for an urban focus that will look at those problems from a broader perspective.

I would also like to restructure our capital grant process. Right now we work on a year to year basis with an Atlanta or a Baltimore or a New York. Atlanta comes to us and this year gets $60 million to start their system; but there's no guarantee that when they come back next year there will be any UMTA money for them. They feel, of course, that there's an implicit commitment and with some justification: if you help them start to dig the hole, you ought to help them finish it. But if we get into a situation where we don't have enough money to satisfy all the requests, someone's not going to get the money for a project. I would think that this situation in terms of funding could become intolerable, for the cities and for us.

I would much rather see a situation where we have a major project like Atlanta, and where we sit down and consider the project as a whole for what it is—a $1.3-billion project—and then make the decision: yes, we're with it; or no, we're not with it; or somewhere in between. Perhaps we could say to Atlanta, "We really can't justify $900 million in the next 10 years, in the context of what our probable funding will be, but perhaps we could go for $600 million." And Atlanta could take that and make a rational choice: either go with the full system and raise the local share to $700 million, or scale down the system. As it is, we're not saying anything to them and they're assuming that we're in for the full two-thirds. But if, at sometime in the middle, we decide we can commit only $600 million over the life of this project, then Atlanta is in trouble.

Q. At the outset, after the proposal for a trust fund was defeated, it was thought that the contract authority provision of the UMTA Act would get around this problem.

A. That is correct. But it has not worked for various reasons.

Q. Then any change would require a change in the law?

A. It could be a change in the law; it could be an increase in the contract authority. We're examining various alternatives for this now. There are other ways, too. We could possibly negotiate a kind of letter of intent contingent on appropriations.

I was amazed at the current system when I came in, because I couldn't see, with a business background, how people were doing business this way, on a year to year basis without considering the possibility that in some future year the money wouldn't be there.

Q. Authorization is one thing; appropriation is another; and OMB's decision to spend, or not to spend, appropriated funds is a third. Do you feel that you have a firm commitment from the Administration for a vigorous and well funded mass transportation program?

A. Yes. There's no question in my mind about that. The President has mentioned mass transportation in his speeches half a dozen times this year, without any push from here or, indeed, from the Department. And if the President is behind a program, the OMB tends to go along. ■

First Quarter Figures of Calendar Year 1973

(Dollar figures are stated in thousands: i.e., with last three digits omitted

Name of Road		Operating Revenues				Operating Expenses																
						Maint. of Roadway and Structures			Maint. of Equipment							Operating ratio						
		Freight	Other	Total 1973	Total 1972	Total 1973	Total 1972	Deprec. and Retire-ments	Total 1973	Total 1972	Deprec. and Retire-ments	Traffic	Trans-portation	Total 1973	Total 1972	1973	1972	Railway tax accruals	Railway operating income 1973	Railway operating income 1972	Net income 1973	Net income 1972
Akron, Canton & Youngstown	3 mos.	2,043	62	2,105	1,638	246	232	20	345	343	120	84	847	1,747	1,489	83.0	90.9	231	127	−77	262	89
Amtrak	3 mos.	–	44,013	44,013	36,294	1,345	2,085	13	13,786	17,618	1,231	4,801	36,455	72,990	72,396	165.8	199.4	5,361	−34,338	−40,380	−36,205	−42,361
Ann Arbor	3 mos.	2,642	41	2,683	2,580	479	369	39	589	563	161	40	1,338	2,586	2,540	96.4	98.4	218	−122	−171	−599	−643
Atchison, Topeka & Santa Fe	3 mos.	209,885	9,986	219,870	194,504	30,707	27,430	3,392	43,899	40,090	10,922	5,564	85,696	176,823	151,206	80.4	77.7	19,291	23,757	24,860	17,338	17,796
Auto-Train	3 mos.	–	3,843	3,922	2,531	286	344	31	625	314	13	306	1,026	3,134	2,698	79.91	110.79	−199	589	−313	162	−552
Baltimore & Ohio	3 mos.	125,356	3,542	128,898	117,047	15,045	14,999	1,810	17,934	15,947	2,860	3,036	49,836	94,388	86,614	73.2	74.0	9,584	24,925	21,256	10,749	1,542
Bangor & Aroostook	3 mos.	3,588	216	3,804	3,731	980	989	73	1,279	1,210	471	82	1,377	3,962	3,795	104.2	101.7	347	−506	−384	420	827
Bessemer & Lake Erie	3 mos.	8,751	749	9,500	8,297	1,270	1,304	154	2,274	2,787	567	160	2,884	7,743	7,718	81.5	.93	1,064	693	95	923	42
Boston & Maine	3 mos.	17,346	3,509	20,856	19,136	3,714	3,719	434	3,388	3,157	615	360	9,935	18,646	17,024	89.4	89.0	1,609	601	537	−2,682	−2,103
Burlington Northern	3 mos.	248,265	10,449	258,914	228,053	34,304	32,320	4,264	44,166	40,784	10,848	6,756	108,314	210,129	187,292	81.2	82.1	23,889	24,896	19,669	11,884	6,761
CPR Lines in Maine	3 mos.	2,650	78	2,728	2,364	393	507	66	491	459	47	62	957	2,034	1,982	74.6	83.8	34	108	94	n.a.	n.a.
Central RR of New Jersey	3 mos.	7,115	3,638	10,753	11,509	1,014	1,458	196	1,496	2,285	235	162	5,236	8,756	11,145	81.4	96.8	998	998	−735	−834	−3,246
Central Vermont	3 mos.	2,451	89	2,540	2,424	544	487	57	288	189	16	24	1,193	2,151	1,738	84.6	73.7	230	159	445	286	374
Chesapeake & Ohio	3 mos.	108,595	3,478	112,073	114,110	12,574	13,800	1,524	21,398	19,740	6,196	2,447	45,688	90,064	85,146	80.4	74.6	11,569	10,441	18,469	6,069	9,902
Chicago & Eastern Illinois	3 mos.	10,473	171	10,644	9,502	1,890	1,630	196	1,684	1,761	403	289	3,304	7,621	7,287	71.6	76.7	836	2,187	1,465	1,007	565
Chicago & North Western*	3 mos.	90,138	10,451	100,580	–	9,517	–	−65	15,093	–	3,117	2,453	41,938	74,557	–	74.0	–	7,428	18,594	–	7,348	–
Chicago, Milwaukee, St. Paul & Pacific	3 mos.	80,475	5,718	86,192	71,336	12,731	10,913	2,523	12,407	13,275	2,629	2,405	35,117	67,462	61,486	78.3	86.2	7,127	11,603	3,473	2,248	−3,270
Chicago, Rock Island & Pacific	3 mos.	77,055	4,289	81,344	70,913	10,240	10,388	1,434	13,812	14,280	1,585	2,131	35,275	65,277	60,826	80.2	85.8	6,010	10,056	4,696	−3,274	−5,900
Clinchfield	3 mos.	9,425	93	9,518	8,835	968	927	84	1,603	1,567	652	303	2,747	5,968	5,618	62.7	63.6	900	2,649	2,436	n.a.	n.a.
Colorado & Southern	3 mos.	7,420	260	7,680	6,177	759	599	25	1,531	908	476	23	3,120	5,847	4,008	76.2	64.9	602	1,229	1,729	181	1,013
Delaware & Hudson	3 mos.	11,085	247	11,332	10,130	1,153	1,296	96	2,240	2,454	391	327	4,196	8,609	9,005	76.0	88.9	1,472	1,252	−405	506	−1,285
Denver & Rio Grande Western	3 mos.	27,669	532	28,201	26,470	3,606	2,737	384	4,675	4,177	1,605	1,015	9,305	20,302	17,819	72.0	67.3	3,890	4,009	4,468	3,887	3,968
Detroit & Toledo Shore Line	3 mos.	2,089	116	2,205	2,003	253	247	30	363	330	117	71	709	1,540	1,391	69.8	69.4	347	318	315	157	142
Detroit, Toledo & Ironton	3 mos.	11,457	562	12,019	10,191	1,240	945	90	2,102	1,763	432	310	4,479	8,882	7,462	73.9	73.2	860	2,277	2,029	969	949
Duluth, Missabe & Iron Range	3 mos.	6,835	233	7,068	4,686	1,685	1,735	223	2,002	1,762	565	71	2,892	7,793	6,834	110.3	145.9	632	−1,357	−1,766	−472	−1,275
Duluth, Winnipeg & Pacific	3 mos.	4,056	32	4,088	3,443	291	298	16	398	244	3	112	1,233	2,111	1,643	51.6	47.7	380	1,597	1,506	1,477	1,289
Elgin, Joliet & Eastern	3 mos.	14,087	7,648	21,734	16,450	1,679	1,399	124	2,841	2,443	527	261	7,965	14,856	12,153	68.4	73.9	3,890	2,988	1,984	2,113	3,067
Erie Lackawanna	3 mos.	62,275	8,104	70,380	64,332	6,842	6,504	793	12,207	11,513	1,870	1,390	32,831	57,071	52,691	81.1	81.9	5,921	7,387	6,235	−2,564	−2,891
Florida East Coast	3 mos.	11,701	373	12,074	9,670	2,680	2,840	200	937	1,062	323	250	2,425	6,816	6,698	56.5	69.0	1,782	3,476	2,002	2,213	1,142
Fort Worth & Denver	3 mos.	7,953	406	8,359	5,870	833	900	44	720	813	117	70	3,902	5,938	4,724	71.0	80.5	2,030	−1,634	−851	269	−215

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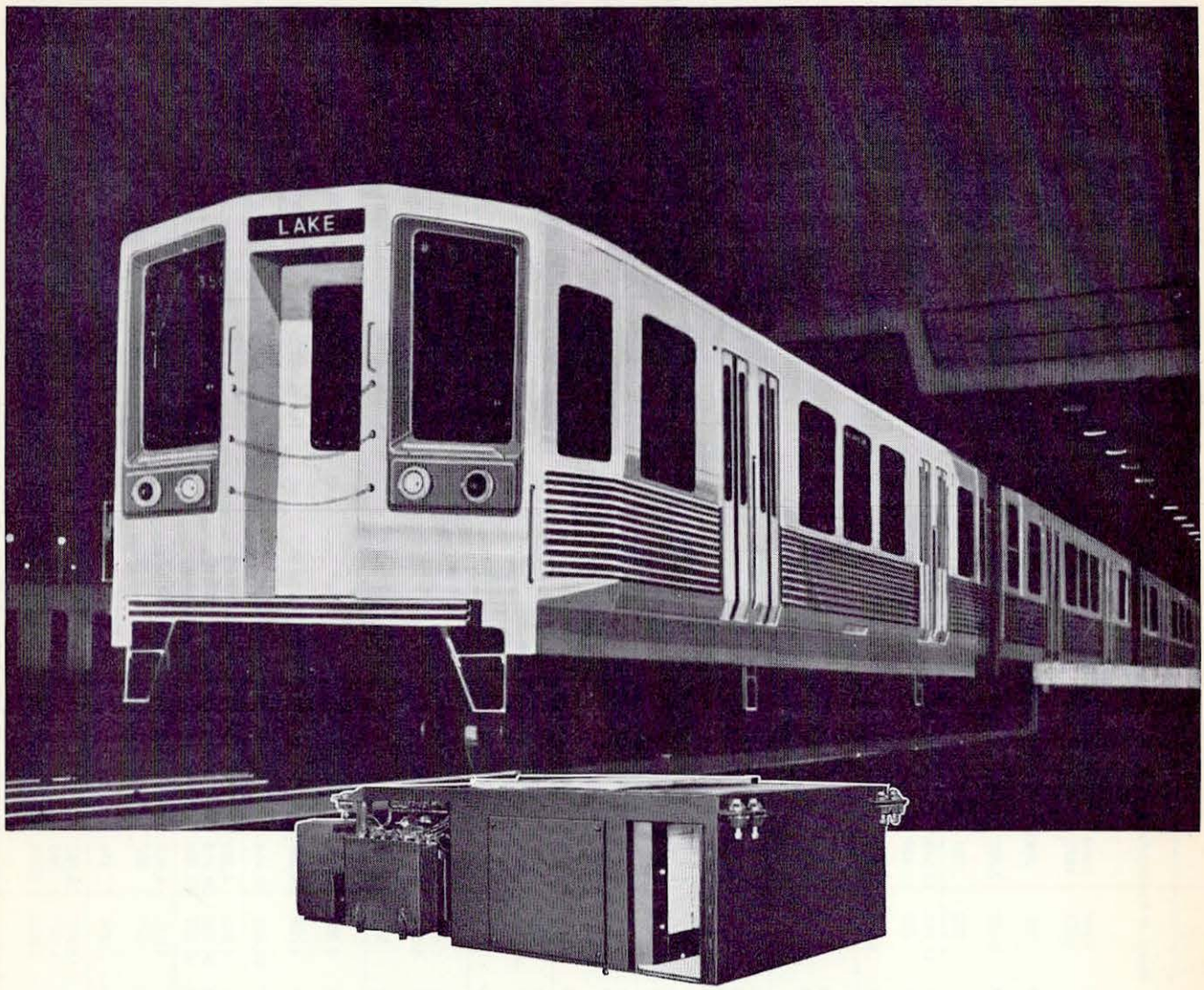

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Circle 15 on coupon page 53

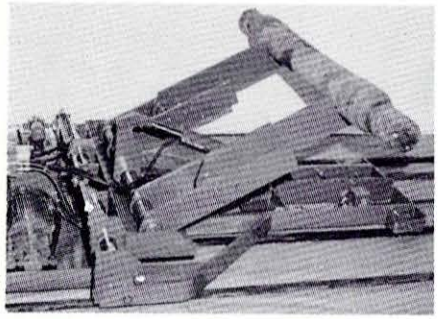
First Quarter Figures of Calendar Year 1973

(Dollar figures are stated in thousands: i.e., with last three digits omitted

Name of Road		Operating Revenues: Freight	Other	Total 1973	Total 1972	Operating Expenses: Maint. of Roadway and Structures: Total 1973	Total 1972	Deprec. and Retirements	Maint. of Equipment: Total 1973	Total 1972	Deprec. and Retirements	Traffic	Transportation	Total 1973	Total 1972	Operating ratio 1973	Operating ratio 1972	Railway tax accruals	Railway operating income 1973	Railway operating income 1972	Net income 1973	Net income 1972
Georgia Railroad	3 mos.	2,361	135	2,496	2,821	370	398	30	430	406	100	119	1,124	2,191	2,063	87.8	73.1	179	125	604	n.a.	n.a.
Grand Trunk Western	3 mos.	26,465	1,203	27,668	21,534	3,570	2,799	249	2,554	3,092	139	483	12,512	21,903	18,786	79.2	87.2	2,489	−4,048	−3,846	−1,131	−3,558
Green Bay & Western	3 mos.	1,975	85	2,060	1,902	283	197	23	247	295	51	145	736	1,593	1,510	77.36	79.36	207	259	267	86	−44
Illinois Central Gulf	3 mos.	120,313	6,544	126,857	121,379	17,719	19,019	1,980	20,261	21,888	5,301	3,087	48,792	97,614	93,688	76.9	77.2	12,287	16,956	16,469	7,052	9,772
Illinois Terminal	3 mos.	3,308	456	3,764	2,981	385	360	6	501	457	118	104	1,366	2,226	2,626	69.8	76.8	250	888	505	622	295
Kansas City Southern	3 mos.	27,785	1,631	29,416	25,611	3,464	3,145	276	4,408	3,969	1,202	1,040	10,952	21,301	17,797	72.4	69.5	2,102	6,014	5,313	1,021	1,827
Lake Superior & Ishpeming	3 mos.	167	366	533	319	246	259	72	341	402	182	8	331	1,042	1,057	195.8	331.2	168	−677	−903	−572	−774
Lehigh Valley	3 mos.	13,728	553	14,281	10,565	1,971	1,525	321	2,953	2,495	339	446	6,716	13,167	10,483	92.2	99.2	1,275	−162	−940	−3,384	−3,306
Long Island		NOT AVAILABLE																				
Louisville & Nashville	3 mos.	115,155	3,116	118,271	111,114	16,407	15,791	1,243	21,910	22,861	7,813	2,480	46,157	92,637	88,311	78.3	79.5	8,443	17,190	15,188	4,403	4,942
Maine Central	3 mos.	7,588	131	7,718	7,705	1,503	1,633	91	1,545	1,594	295	125	2,804	6,452	6,345	83.6	89.7	565	701	200	529	205
Missouri-Illinois	3 mos.	1,878	26	1,904	1,887	194	211	18	742	751	400	56	411	1,493	1,481	78.4	78.5	400	−28	−167	782	671
M-K-T Lines	3 mos.	21,067	919	21,986	19,314	2,470	2,450	268	2,830	2,690	320	975	8,534	15,777	14,618	71.8	75.7	1,595	4,614	3,217	−4,754	−857
Missouri Pacific	3 mos.	118,207	4,767	122,974	106,257	16,571	15,248	1,735	20,404	18,568	4,343	2,709	47,229	92,017	79,202	74.8	74.5	9,007	21,950	19,317	4,839	4,549
Monongahela	3 mos.	1,631	38	1,669	2,987	455	483	51	255	202	20	4	503	1,259	1,213	75.5	40.6	155	294	1,697	−402	940
Norfolk & Western	3 mos.	199,598	7,688	207,286	196,591	21,330	17,878	2,809	38,048	35,701	13,259	4,226	74,611	148,880	135,482	71.8	68.9	19,700	38,706	41,948	21,726	23,889
Norfolk Southern	3 mos.	3,699	86	3,785	3,847	749	803	79	655	599	179	153	1,483	3,370	3,274	89.0	85.1	316	99	289	−153	7
Northwestern Pacific	3 mos.	3,156	20	3,176	3,605	997	888	62	283	55	2	28	1,018	2,464	2,041	77.6	56.6	398	314	1,067	−56	621
Oregon Electric	3 mos.	1,393	68	1,461	1,748	186	207	41	47	11	75	8	755	1,034	953	70.8	54.5	127	299	505	11	266
Penn Central	3 mos.	414,876	59,409	474,284	434,432	57,949	56,914	6,497	81,944	87,017	13,701	4,721	227,016	396,694	378,225	83.6	87.1	40,773	36,817	18,576	−55,249	−65,176
Penn-Reading Seashore Lines	3 mos.	2,222	354	2,576	2,063	650	540	148	352	309	29	14	1,739	2,882	2,590	111.9	125.5	209	−515	−709	−1,250	−1,380
Pittsburgh & Lake Erie	3 mos.	8,733	919	9,652	8,225	1,427	1,270	184	4,332	4,185	1,655	208	4,010	10,807	9,879	112.0	120.1	1,384	−2,539	−2,464	2,167	1,684
Reading	3 mos.	23,757	5,734	29,491	25,884	4,345	4,529	583	5,976	5,640	1,196	734	14,135	27,221	25,896	92.3	100.0	3,068	−799	−2,686	−4,662	−6,913
Richmond Fredericksburg & Potomac	3 mos.	6,306	569	6,875	6,149	848	745	121	909	798	259	112	1,526	3,808	3,439	55.4	55.9	1,830	1,237	1,197	1,759	1,528
St. Louis-San Francisco	3 mos.	59,894	2,495	62,389	55,857	9,185	8,705	811	9,803	9,021	2,525	1,916	24,492	48,487	42,876	77.7	76.8	4,830	9,072	8,480	1,891	3,054
St. Louis Southwestern	3 mos.	39,816	505	40,320	37,969	4,166	4,256	272	9,135	8,415	3,318	955	14,168	29,409	27,180	73.0	71.6	3,606	7,305	6,592	9,878	8,866
Seaboard Coast Line	3 mos.	147,989	4,895	152,884	139,047	22,482	20,416	1,573	27,742	23,726	6,563	3,177	56,366	115,625	100,589	75.6	72.3	11,957	25,302	26,475	12,017	13,375
Soo Line	3 mos.	40,057	862	40,919	32,665	4,662	4,353	372	4,766	4,335	1,056	986	13,823	25,686	23,038	62.8	70.5	5,186	10,047	6,243	5,959	3,039
Southern Railway	3 mos.	183,522	6,534	190,056	178,526	30,936	28,913	3,709	31,628	31,849	11,107	3,606	3,735	132,992	122,706	70.0	68.7	17,953	39,110	37,403	25,097	22,200
Southern Pacific	3 mos.	270,240	7,585	277,825	262,833	36,587	37,186	2,971	52,864	52,861	15,530	4,456	110,418	221,900	208,432	79.9	79.3	24,713	31,211	31,836	9,590	15,804
Texas & Pacific	3 mos.	29,393	847	30,239	26,372	3,832	4,037	332	5,395	4,993	1,492	965	12,519	23,846	21,068	78.9	79.9	2,150	−1,073	−825	2,655	1,613
Texas Mexican	3 mos.	1,533	132	1,665	1,424	377	367	16	160	173	43	77	549	1,307	1,181	78.47	82.96	187	172	120	40	10
Toledo, Peoria & Western	3 mos.	2,842	120	2,962	2,833	328	314	18	297	271	68	234	1,116	2,215	2,051	74.8	72.4	276	472	497	145	185
Union Pacific	3 mos.	197,057	6,701	203,758	179,114	19,857	19,767	2,607	37,257	35,997	14,057	4,800	73,179	152,159	135,669	74.7	75.7	21,602	22,996	27,074	26,821	24,022
Western Maryland	3 mos.	11,951	962	12,913	12,245	1,897	2,043	206	2,730	2,830	877	440	5,281	11,192	11,011	86.7	89.9	1,015	705	678	−36	−12
Western Pacific	3 mos.	21,014	329	21,343	20,970	2,993	2,993	336	3,578	3,655	841	947	8,522	17,830	17,100	83.5	81.5	1,698	1,815	2,250	644	1,155

*C&NW became employee-owned on June 1, 1972. Hence, no comparisons are made with figures for the preceding year.
n.a. Not available

New Products Report



Carrier designed for use in railroad wheel and axle shops

The Jackson Technology Division, Jackson Corp., has designed a Wheel Set Cart for use in railroad wheel and axle shops. The cart, which travels on rails at 80 fpm, has a 5,000-lb lifting capacity. Its low silhouette allows working through mounting and demounting presses. The maximum lifting height is around 48 inches above floor level. The lifting arms are adjustable from 36 inches to 48 inches to clear axle gear boxes and gears on diesel wheel sets.

Weighing 2,000 lb, the unit is powered by a 5-hp electric motor driving a 3-gpm hydraulic pump. Electric control of the unit is standard.

Circle 60 on reader service card

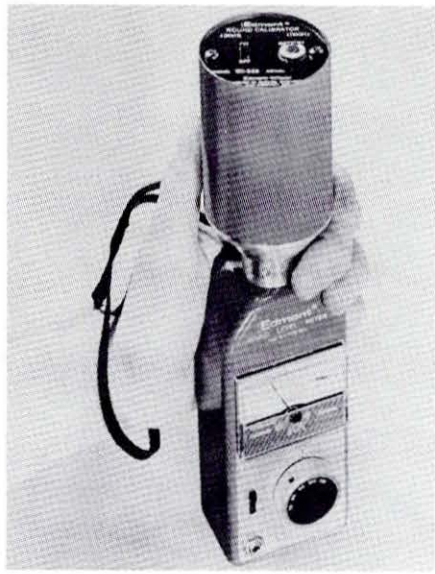
Biodegradable toilet deodorant will do its work for 10 days

A completely biodegradable toilet and holding-tank deodorant for use in chemical toilets has been introduced by Inca One Corp. The product, trade named Inca Gold, does not contain environmentally harmful zinc or other heavy metals. Supplied in powder form, Inca Gold releases its power as waste is added to the toilet; this provides odor control lasting up to 10 days under normal conditions. The deodorant will work in any kind of toilet without harm, thus maintaining toilet warranties. It is packaged in 2-ounce foil packets, six packets to a box. Each packet will treat about 10 gallons of waste water, providing up to 10 days of odor control for approximately 5 cents a day.

Circle 61 on reader service card

Portable calibrator designed to test sound-level meters

A low-priced, portable sound-level calibrator is offered by Edmont-Wilson, Division of Becton, Dickinson & Co. It is designed to accurately field test the calibration of sound-level meters used to help comply with OSHA and Bureau of Mines noise-level standards. The calibrator has solid-state circuitry and is powered by two 9-volt transistor radio batteries. It emits a stable sound of 1000 Hz at 100 decibels. The coupler accommodates a 1 1/8-in.-diameter microphone. Adapter rings are available for use with microphones of 15/16-in. and 5/8-in. diameters. Operation of the instrument is simple; there is just one control—an on-off switch. A built-in meter shows the battery condition whenever the calibrator is activated. The unit will perform accurately at operating temperatures from 32 deg. F and 122 deg F.



Circle 62 on reader service card

Special formula removes soils, oxides from many materials

A special formulation for complete and rapid removal of soils and oxides from aluminum surfaces can be applied automatically or manually. Called Super Brite, it is available from Transportation Division, DuBois Chemicals Division of Chemed Corp. Super Brite is concentrated for lowest using costs, and cleans and brightens in one action. It has excellent wetting and rinsing ability. When applied and rinsed as directed, it is safe on the following materials: plexiglass, copper, stainless steel, brass, iron, steel, bronze, lead, rubber and painted surfaces.

Circle 63 on reader service card

Portable friction rail skid may be used singly or in pairs

A new model portable friction rail skid for railroad car spotting has been

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introduced by the Aldon Co. The skids are said to be especially effective in general area car spotting, spotting the first car in establishing head end of a train; protecting warehouse doors, employees and car lading. The skid—designed to ride the rail head and maintain an upright attitude—may be used singly or in pairs. It provides a safe, gradual, shock-proof stop. The car is easily removed from the skid by using a hand car-mover, applied to the free wheel.

Circle 64 on reader service card

NEW LITERATURE

URBAN RAIL CARS. The U.S. Department of Transportation's Urban Mass Transportation Administration has published its "Guideline Specification for Urban Rail Cars." The document is a standard format for procurement of urban self-propelled rail cars for use by transit authorities or other governmental agencies in preparing detailed specifications for the design, construction and test of new rapid or rail commuter cars. The specification was prepared for UMTA by the Boeing-Vertol Co. in cooperation with the American Transit Association, the Institute for Rapid Transit and the Railway Progress Institute. It is designed to be improved and updated as new technology develops and experience is gained. Paperbound copies are priced at $6; it is available on microfiche for $1.45.

Circle 70 on reader service card

RO/RO CARTS. A bulletin from Aeroquip Corp. describes a system for securing roll-on/roll-off wheeled carts. Such carts can be secured through use of Aeroquip straps and track to prevent undesired movement and without sacrificing loading and unloading speed.

Circle 71 on reader service card

SOLDERLESS TERMINALS. A data sheet on a new line of rugged-duty, easy-to-use, railroad-type solderless terminals, from 20 to 10 AWG, is offered by Hollingsworth Solderless Terminal Co. The sheet describes four different types of available barrel styles, insulated and non-insulated.

Circle 72 on reader service card

ENERGY. The growing energy dilemma, and many proposals to solve it, are analyzed in a booklet called "The Effect of the Energy Dilemma on the Combustion Engine." The booklet is based on a recent talk by James E. Knott, a General Motors vice president and general manager of the Detroit Diesel Allison Division.

Circle 73 on reader service card

RETURNABLE CONTAINERS. A news magazine illustrating the advantages of returnable transit containers for handling products and components during manufacture, storage, and distribution has been made available by WCB Containers, Inc.

Circle 74 on reader service card

DOCK SHELTERS. A 20-page catalog from Frommelt Industries, Inc., covers the company's complete line of rail and truck dock shelters. Complete product descriptions, specifications and typical installation sketches are included.

Circle 75 on reader service card

STRADDLE CRANE. A 6-page brochure describing use of the Tami-Lift mobile straddle crane in handling trailers and containers at shipping terminals has been issued by the RPC Division of Midland-Ross Corp. The self-propelled unit, with rated lifting capacity of 80,000 pounds, can handle trailers of any size up to 40 ft long, and containers of any fixed lenght from 20 to 40 ft.

Circle 76 on reader service card

LIGHT-CAPACITY SCALES. A 24-page catalog detailing the complete light-capacity line of scales and weighing systems has been published by the Fairbanks Morse Weighing Division of Colt Industries. The description for each product includes applications, construction details, capacities and over-all dimensions.

Circle 77 on reader service card

EQUIPMENT LEASING. A four-color brochure from Trans Union Leasing contains many case histories to explain the advantages of leasing equipment for many industries, including transportation.

Circle 78 on reader service card

INSULATED RAIL JOINT. A catalog on "Blue Vulca Bond" insulated rail joints has been issued by the Railroad and Mining Products Division of Johnson Rubber Co.

Circle 79 on reader service card

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TRANSIT

Philip W. Barchard, general manager-Transportation Division, **British Columbia Hydro & Power Authority,** Vancouver, B.C., has been elected president, **Canadian Transit Association.** Mr. Barchard had been serving as vice president of the association.

Albert E. Cary, general sales manager-rapid transit, **Edison Battery Division, McGraw-Edison Co.,** Bloomfield, N.J., will head a newly established sales and service region—to be known as the "Metro Region"—within the sales organization. Mr. Cary will be assisted by **Peter C. Bradshaw,** field engineer. The region will handle sales and service of all Edison products for the various transit, subway and commuter properties in the Metropolitan New York area.

SUPPLY TRADE

Clifford F. Rockwell has been appointed manager of advertising and sales promotion, **General Electric Co.** Data Communication Products Department, Waynesboro, Va. Mr. Rockwell was formerly press relations specialist, GE Communication Systems Division, Lynchburg, Va.

Gary J. Vicker has been appointed general manager, **Railway Educational Bureau,** Omaha, Neb. Mr. Vicker is a graduate of the University of Nebraska at Omaha, and began his business career with Procter & Gamble. He has served more recently as assistant general manager of the Omaha Home for Boys. Mr. Vicker will be responsible for all operational activities of the Bureau.

Gerald W. Poneleit has been appointed senior systems engineer, **Servo Corp. of America,** Hicksville, N.Y. Mr. Poneleit spent more than 12 years with the **Penn Central,** most recently as head of industrial engineering, Central Region, Pittsburgh.

Royce Kershaw, Jr., vice president of operations, **Kershaw Manufacturing Co.,** Montgomery, Ala., has been named president, succeeding **A.W. Mathis, Jr.,** resigned. **Knox Kershaw II** has been elevated to executive vice president.

Jose L. de Pedroso, group vice president-international, **Budd Co.,** has been named president of the newly formed wholly-owned subsidiary, **Budd International Corp.,** which will manage the company's expanding overseas operations.

C.W. Gilbert has been appointed section manager-engineering department, **Union Switch & Signal Division** of **WABCO,** Swissvale, Pa. He will be responsible for the development of vehicle and wayside equipment for train control systems.

Joseph J. Celli has been elected a corporate vice president, **Seatrain Lines, Inc.,** with responsibility for intermodal operations. Mr. Celli was formerly executive vice president of Associated Transport and Werner Continental, both trucking companies.

Richard G. Powell, engineering manager for railroad products, **W-K-M Valve division** of **ACF Industries,** has been named manager of marketing of special products. His primary responsibility will be for the ACF Freight Saver line of hydraulic cushioning units for the railroad industry.

William Van Der Sluys has been named vice president, marketing for transit activities, **Pullman-Standard Division** of **Pullman Incorporated.** He was previously director of marketing for transit sales.

Lyle Drummond, Jr. has joined **Railway Track-Work Co.,** Philadelphia, in a factory sales and service position. Mr. Drummond has had 10 years experience calling on maintenance of way departments in the railroad industry.

Raymond C. Wahl has been appointed assistant marketing manager, Maintenance of Way Division, **Mannix Construction, Inc. Ronald F. Mauch** succeeds Mr. Wahl as operations manager, Minneapolis.

Homer L. Hathaway has been appointed senior systems consultant, **Union Switch & Signal Division** of **WABCO,** Pittsburgh. Mr. Hathaway was formerly manager, wayside & vehicle development.

Dan L. Hearn has been named director of marketing, transportation systems, **Rohr Industries, Inc.** Prior to joining Rohr, Mr. Hearn had been vice president, operations and administration, LTV Ling Altec, Inc., with which company he had been associated for over 20 years.

(continued on page 56)

RAILWAY SYSTEMS SUPPLIERS, INC.

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- The greatest aggregation of equipment, supplies and services oriented to rail signaling, communications, data processing and management systems—all under one roof.
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- Concurrent with Annual Meetings, C&S Section and Data Systems Division, A.A.R.

AMERICANA OF NEW YORK CITY, Oct. 1-4, '73

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(continued from page 55)

Computer Identics Corp., formerly a part-owner of **ACI Systems Corp.**, has acquired full control of ACIS from **Intermodal Transportation Systems, Inc.**, for cash and common stock. ACI Systems will continue under present management at South Holland, Ill.

Gunderson, Inc., wholly-owned subsidiary of **FMC Corp.** in Portland, Ore., has been elevated to divisional status and will operate as the **Marine and Rail Equipment Division** of FMC.

Jack Cunningham appointed district manager, **General Railway Signal Co.**, Washington, D.C. **Robert L. Schwartz** appointed sales engineer, Washington. Mr. Cunningham was formerly senior sales engineer, New York, and Mr. Schwartz, office supervisor, New York. **Elsworth L. Abbott** appointed sales engineer, Chicago. Mr. Abbott was administrative secretary, **American Railway Engineering Association**, and served simultaneously as secretary, Engineering Division, **Association of American Railroads.**

Eugene F. Leonard has joined the railroad-highway grade crossing section, application engineering department, **Union Switch & Signal Division, WABCO.** Mr. Leonard was formerly on the signal and communications staff, **Western-Cullen Division, Federal Sign & Signal Corp.**

Remi Nadeau has joined **Collins Radio Co.** as director of advertising and public relations, Dallas, Tex. **Joseph V. Brown** is manager of corporate advertising.

Lewis Bolt & Nut Co., Minneapolis, has appointed **St. Louis Railway Supply Co.** as their representative in the St. Louis and mid-central area to sell Lewis Sealtite and Special Fasteners, as well as standard bolts and nuts.

The National Castings Division of **Midland-Ross Corp.** has announced relocation of two district sales offices. The Richmond, Va., office has moved to Route 1, Crystal River, Fla. 32629 and the San Francisco office to 1 Peninsula Place, 1650 Amphlette S. Bayshore Blvd., San Mateo, Calif. 94402.

In an integration of European operations of the **Timken Co.**, **E.R. Knapp**, managing director-**British Timken**, has been named managing director-**Timken Europe**, a newly created position at Duston, Northampton, England.

Peter Hunter, who has been acting as container projects consultant with **Steadman Containers, Ltd.**, and **Interpool Limited**, has re-activated **Containerization Services** at 282 Belfield Road, Rexdale, Ont., Can., for general consulting.

Lenert R. Sulik has been elected vice president-operations **Buncher Rail Car Service Co.**, Lynchburg, Va. Mr. Sufik has been general manager since he joined Buncher a year ago to organize, staff, and start up the new company. He will continue as general manager until a replacement is appointed.

James J. Schustrich, district sales manager, **National Castings Division** of **Midland-Ross Corp.**, has been appointed eastern regional sales manager, with headquarters as before at Philadelphia. **Robert F. Norton**, district sales manager, has been appointed western regional sales manager, with headquarters remaining at Chicago. Both are newly created positions.

Robert G. Clawson has been appointed director of marketing, **Harmon Electronics**, Grain Valley, Mo. Mr. Clawson has had 17 years of rail industry experience-seven years with the Missouri Pacific and a decade representing suppliers in signals, communications and maintenance of way departments.

Donald F. McConnell, manager, Central district, **Westinghouse Air Brake Division, WABCO**, has been transferred to the Midwest region, Chicago, succeeding **Robert A. Mitchell**, retired. **Robert A. Seaborg**, representative, Chicago office, appointed senior representative, Midwest region, Chicago. **Robert L. Simmons** appointed sales representative, Southwest region, St. Louis. Mr. Simmons was formerly manager, Eastern sales, Castings Division, **General Steel Industries.**

John W. Schnaitman has been appointed sales representative, Midwest region, Westinghouse Air Brake Division, Chicago. **Michael H. Thompson** has been named representative-mass transit sales, Wilmerding, Pa.

OBITUARY

William C. Midcap, 47, assistant director-public relations, **United Transportation Union** (and, before UTU merger, editor-Brotherhood of Locomotive Firemen & Enginemen) died June 13 in Cleveland.

The Basle Connection

We thought it was about time that the World's railway industry had its first comprehensive exhibition.

So we arranged it.

Everybody who is anybody in railways will be there – manufacturers and suppliers of everything from brakes to buffers, wheels to wagons, tickets to track layers – they'll all be exhibiting.

There will be 400m of track *inside* the hall and 1,000m outside. 13,000m² in area, the Exhibition has already attracted over 100 organisations, companies and publishers from more than 20 countries.

This is one you simply can't afford to miss.

For your tickets, please contact Roy Seager.

World Railways Engineering Exhibition, Basle, Switzerland October 1st – 5th, 1973

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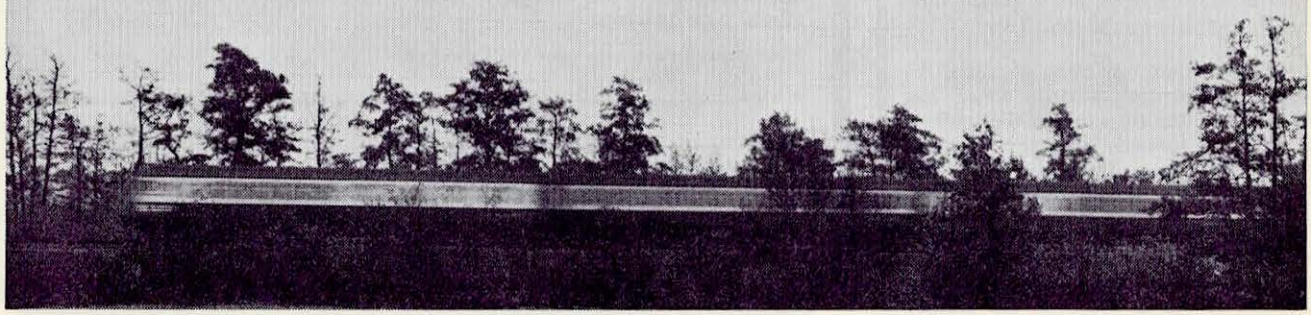

Market Outlook

CARLOADINGS

Loadings of revenue freight in the week ended June 23 totaled 554,353 cars, according to the Association of American Railroads. This was an increase of 555 cars, or 0.1%, compared with the previous week, and an increase of 39,280 cars, or 7.6%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended June 23 are estimated at 16.9 billion, an increase of 9.1% above the corresponding week of 1972.

REVENUE FREIGHT CARLOADINGS

Commodity	June 23 week	June 16 week
Grain	33,402	32,111
Farm products	10,211	10,836
Metallic ores	46,413	47,551
Coal	95,914	96,459
Crushed stone, gravel & sand	31,134	31,327
Nonmetallic minerals	16,592	17,032
Grain mill products	19,536	20,128
Food and kindred products	22,023	21,879
Primary forest products	24,824	24,203
Lumber & wood products (except furniture)	17,323	17,108
Pulp, paper & allied products	23,792	23,050
Chemicals & allied products	27,267	27,305
Petroleum products	8,928	8,788
Stone, clay & glass products	22,622	22,923
Coke	8,319	8,519
Metals & products	27,149	26,164
Motor vehicles & equipment	28,331	28,739
Waste & scrap materials	16,266	16,176
Forwarder & shipper assn. traffic	10,484	10,323
All other carloads	63,237	62,310
LCL traffic	586	480
Total cars loaded	**554,353**	**553,411**
Cumulative total, 25 weeks	1973	1972
	12,993,521	**12,334,020**
Estimated revenue ton-miles (billions) 25 weeks	400.9	371.5

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended June 16 totaled 30,408 cars (19.1% above the corresponding week last year) and 53,236 trailers or containers (up 21.6% from 1972). Cumulative volume for the first 24 weeks of 1973 is 693,832 cars (up 18.4% from last year) and 1,196,944 trailers or containers (up 22.0% from 1972).

IN CANADA

7 days ending	Tons of Freight	Cumulative Totals
June 7, 1973	5,006,394	99,918,774
June 7, 1972	4,548,573	88,159,585

● *BART.*—UMTA has announced a $21.7-million grant to help pay two-thirds of the costs for a program of train-control improvements and a variety of other system projects.

● *Canadian National.*—Ordered 30 additional diesel locomotive units from MLW-Worthington at an approximate cost of $10 million. Delivery of the units—which incorporate a new advanced-design cab—is expected in the first 1974 quarter. Also, CN ordered 136 100-ton-capacity flat cars from National Steel Car at a cost of $2.8 million. Delivery is set for January 1974.

● *Grand Trunk Western.*—Placed an over-$200,000 order with Union Switch & Signal Division of WABCO. The order is for system design and remote control of an interlocking at Durand, Mich., from an existing Union Route Control Center some 40 miles away, at Pontiac, Mich.

● *New York City Transit Authority.*—Standard Steel, a division of Titanium Metals Corp., has received a $2-million-plus contract to furnish mounted wheel assemblies for 752 transit cars being built for NYCTA by Pullman-Standard. The assemblies will be delivered to Rockwell International's Transportation Equipment Division, which is making the trucks for the cars.

● *Penn Central.*—PC trustees announced plans to lease 78 new diesel-electric locomotives with a total value exceeding $20 million. Forty-five of the units will be leased from General Electric and 33 from Electro-Motive.

● *Rohr Industries.*—The U.S. Department of Transportation has authorized Rohr Industries to begin construction of a guideway that will be used to test the 60-passenger Aerotrain being developed by Rohr at Chula Vista, Calif. The $4.3-million guideway is to be built at DOT's high speed ground test center near Pueblo, Colo. Aerotrain, a passenger-carrying tracked air cushion vehicle is to be moved to Pueblo this fall for testing.

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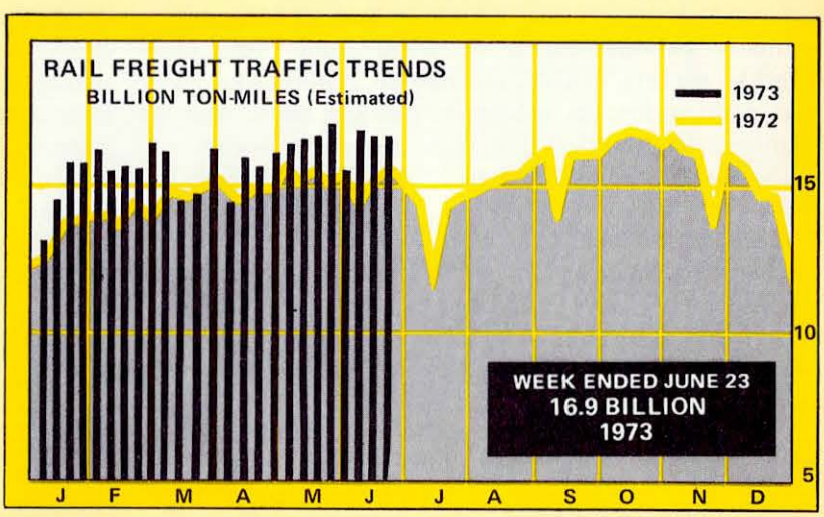

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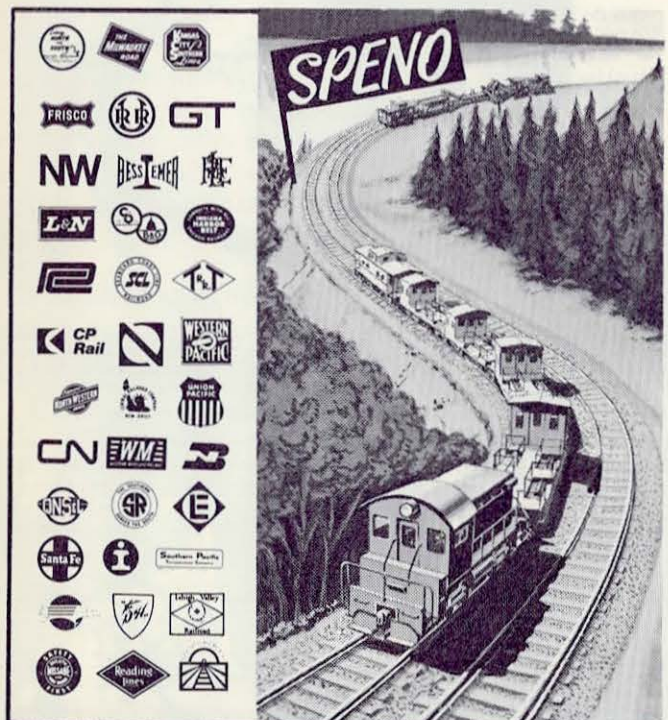

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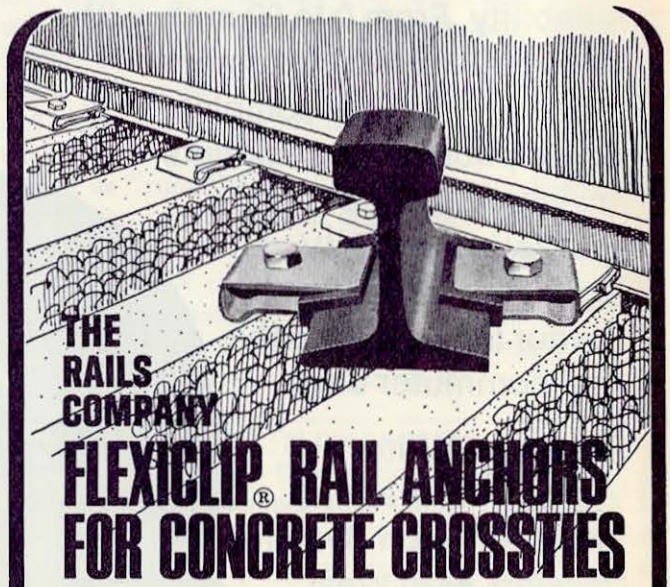

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Market Outlook

CARLOADINGS

Loadings of revenue freight in the week ended June 23 totaled 554,353 cars, according to the Association of American Railroads. This was an increase of 555 cars, or 0.1%, compared with the previous week, and an increase of 39,280 cars, or 7.6%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended June 23 are estimated at 16.9 billion, an increase of 9.1% above the corresponding week of 1972.

REVENUE FREIGHT CARLOADINGS

Commodity	June 23 week	June 16 week
Grain	33,402	32,111
Farm products	10,211	10,836
Metallic ores	46,413	47,551
Coal	95,914	96,459
Crushed stone, gravel & sand	31,134	31,327
Nonmetallic minerals	16,592	17,032
Grain mill products	19,536	20,128
Food and kindred products	22,023	21,879
Primary forest products	24,824	24,203
Lumber & wood products (except furniture)	17,323	17,108
Pulp, paper & allied products	23,792	23,050
Chemicals & allied products	27,267	27,305
Petroleum products	8,928	8,788
Stone, clay & glass products	22,622	22,923
Coke	8,319	8,519
Metals & products	27,149	26,164
Motor vehicles & equipment	28,331	28,739
Waste & scrap materials	16,266	16,176
Forwarder & shipper assn. traffic	10,484	10,323
All other carloads	63,237	62,310
LCL traffic	586	480
Total cars loaded	**554,353**	**553,411**
Cumulative total, 25 weeks	1973	1972
	12,993,521	**12,334,020**
Estimated revenue ton-miles (billions) 25 weeks	400.9	371.5

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended June 16 totaled 30,408 cars (19.1% above the corresponding week last year) and 53,236 trailers or containers (up 21.6% from 1972). Cumulative volume for the first 24 weeks of 1973 is 693,832 cars (up 18.4% from last year) and 1,196,944 trailers or containers (up 22.0% from 1972).

IN CANADA

7 days ending	Tons of Freight	Cumulative Totals
June 7, 1973	5,006,394	99,918,774
June 7, 1972	4,548,573	88,159,585

● *BART.*—UMTA has announced a $21.7-million grant to help pay two-thirds of the costs for a program of train-control improvements and a variety of other system projects.

● *Canadian National.*—Ordered 30 additional diesel locomotive units from MLW-Worthington at an approximate cost of $10 million. Delivery of the units—which incorporate a new advanced-design cab—is expected in the first 1974 quarter. Also, CN ordered 136 100-ton-capacity flat cars from National Steel Car at a cost of $2.8 million. Delivery is set for January 1974.

● *Grand Trunk Western.*—Placed an over-$200,000 order with Union Switch & Signal Division of WABCO. The order is for system design and remote control of an interlocking at Durand, Mich., from an existing Union Route Control Center some 40 miles away, at Pontiac, Mich.

● *New York City Transit Authority.*—Standard Steel, a division of Titanium Metals Corp., has received a $2-million-plus contract to furnish mounted wheel assemblies for 752 transit cars being built for NYCTA by Pullman-Standard. The assemblies will be delivered to Rockwell International's Transportation Equipment Division, which is making the trucks for the cars.

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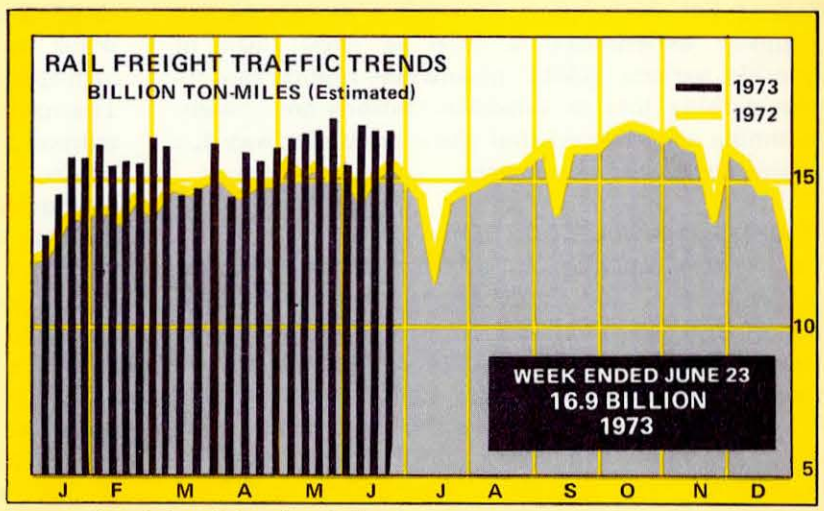

Source: Association of American Railroads

Moving People

SEPTA PLANS READING COMMUTER TAKE-OVER

A tentative agreement, contingent on assured funding for the operation, will see the Southeastern Pennsylvania Transportation Authority taking over Reading's seven commuter lines that radiate from Philadelphia and carry 13 million riders annually. Judge J.W. Ditter, who is overseeing Reading bankruptcy, noted this "is the only path that the Reading can follow if it is to be reorganized."

CARRIERS SUBSIDIZING AMTRAK, SAYS AAR

AAR President Stephen Ailes has told Congress that the $93 million sought to cover Amtrak's operating losses in fiscal 1974 will be inadequate because it will not cover the actual losses which contracting railroads are experiencing. Ailes reminded the House Subcommittee on Transportation and Aeronautics that the railroads originally agreed to accept for a preliminary two-year period payments based on solely related costs "with minor modifications." This was done, he said, to help Amtrak get started—but both parties, he recalled, agreed that the basis for compensation would be subject to redetermination effective July 1, 1973. Penn Central, he noted, has referred the matter of its own compensation to the ICC. Excluding PC, Ailes added, payments to the other 11 participating railroads fall short of meeting costs by about $52 million a year. Ailes also repeated his suggestion that a government-owned corporation be created to acquire the Northeast Corridor lines and make trackage available to Amtrak.

BART HURTS PARKING-LOT BUSINESS

Leland Douglas, whose company owns more than 30 parking lots in downtown Oakland, Calif., says business has dropped sharply since BART trains began running. In June, Douglas told the National Parking Lot Association convention in Atlanta, his company experienced a drop of about 20% in monthly parkers. BART, meanwhile, reports that its own parking lots at suburban stations are already becoming so crowded that plans are under way for double-decking some of them.

SECOND AUTO-TRAIN ROUTE PLANNED

Auto-Train Corp. plans to introduce service between Louisville, Ky., and Sanford, Fla., in mid-1974. A preliminary agreement has been reached with Seaboard Coast Line and Louisville & Nashville for an operating arrangement similar to that under which SCL tracks are now used by the Auto-Trains that carry travelers and their automobiles between Lorton, Va., just outside of Washington, and Sanford. Auto-Train President Eugene K. Garfield says that in its first 18 months of operation over the Lorton-Sanford route, the company carried 90,000 automobiles and 250,000 passengers on its trains. Service on this route was scheduled to be increased by 50% July 1 with the departure of a second train every other day from each city.

UMTA GRANTS MONEY FOR 125 TRANSIT CARS

UMTA has awarded $62.1 million in capital grants to two transit authorities that will lead to the purchase of 125 new rapid transit cars—including replacements for the oldest rapid transit cars currently in revenue service in North America. Recipients are: Massachusetts Bay Transportation Authority, $18.4 million for 80 new cars, 36 of which will replace MBTA's 49-year-old Blue Line cars; and Delaware River Port Authority for 45 new cars and various Lindenwold Line improvements.

SOUND-OFF TIME FOR ICG COMMUTERS

People who run rail commuter services sometimes get the feeling that "nobody loves us." But maybe that's not quite true. When Illinois Central Gulf surveyed its 4,300 ticket-by-mail customers, about half replied—and 92% say they think ICG service is either improved (54%) or about the same as before (38%). The road's Highliners got a "better" rating from 88%; most commuters reported ticket clerks and train crews as polite (77%), though 21% checked off "indifferent" and 2% described personnel as "rude." Only 7% rated service frequency as less than "generous" or "adequate." Interestingly, 66% quessed that ICG makes money on commuters, while only 34% came up with the right answer: ICG loses. Maybe that misconception was also reflected in replies to another question: 71% regard ICG's requested fare increase as unjustified.

HARTKE BLASTS DOT "SLOW ORDERS"

While the rest of the world is busily forging high-speed rail passenger links, "our Department of Transportation tells us to liquidate our biggest railroad, and cut express train speeds with slow orders," Senator Vance Hartke (D.-Ind.) charged as his Surface Transportation Subcommittee reopened hearings on the Northeast rail crisis. Hartke offered "for the record" a map showing high-speed networks covering most of Europe with trains running at up to 186 mph. "France's 'tres grande vitesse' (TGV) 001 and Germany's ET-403 electric locomotive will preserve city-center to city-center rail transport for passengers," said Hartke. "We have no serious plans like this, even on the drawing boards, so far as this committee can learn from the Department of Transportation."

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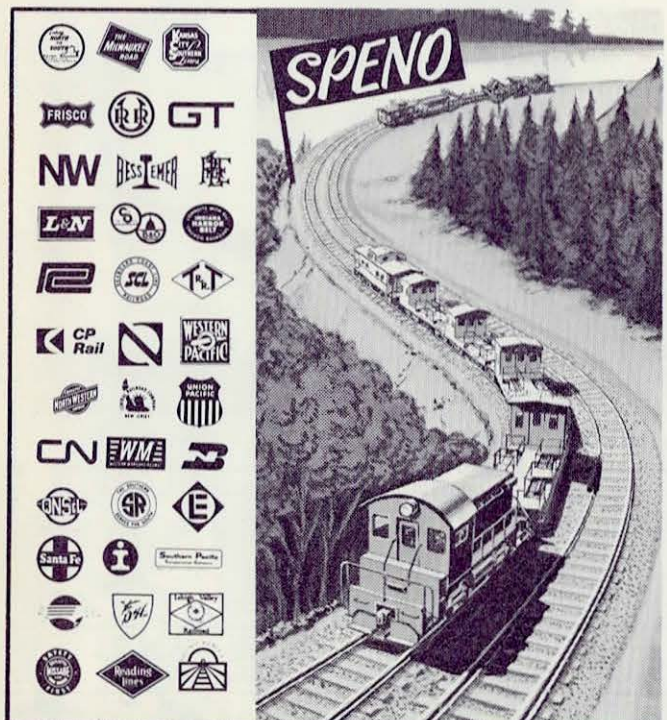

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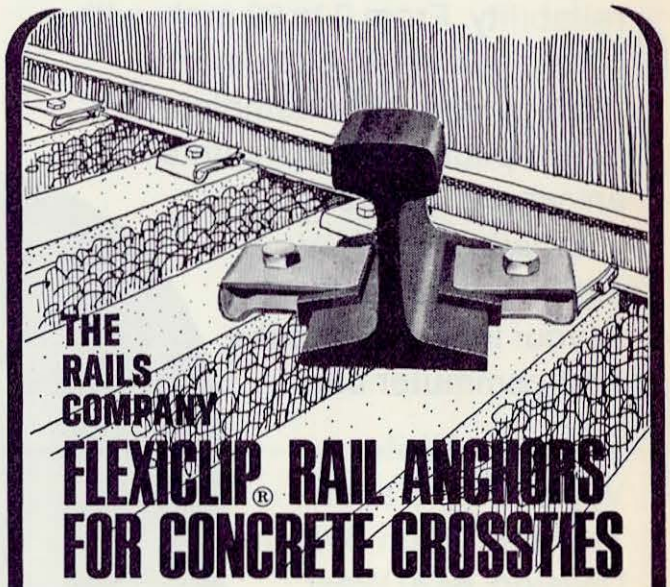

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Viewpoint

Iowa turns down an M/W aid program

Maybe you *don't* always think of Des Moines as a graveyard of good ideas. But the elected representatives of the state of Iowa, sitting in the State Capitol there, have seemed determined to put down what at least seemed to be an excellent idea—namely, the provision of a rather modest amount of state help for the rehabilitation of needed railroad branchlines. The amount is a bit more than $1.3 million; it would have been channeled through the governor's Youth Opportunity program to provide summer jobs in railroad M/W for Iowa youths; it had support from the five Class I railroads and the Iowa Commerce Commission chairman and, at least initially, the legislators. But then it started coming apart.

As it happens, Iowa is perhaps the best possible state for such an aid program. Iowa ranks something like 24th among the 50 states in area—but it ranks fourth in miles of railroad line, and much of that line, obviously, is branchline. At the same time, Iowa seems to be on the verge of a tremendous boom in exports of its agricultural economy. Commerce Commission Chairman Maurice Van Nostrand looks down the line, and he realizes that the transportation job that will have to be done in Iowa can really be done only by railroads. He knows railroads need help. He says that Iowa wants to work with the railroads to try to provide help, for mutual benefit.

Well, the branchline rehabilitation bill passed the House by a good margin. It passed the Senate by a more narrow margin, but on two reconsideration votes it was defeated, 24-21 and 25-24. And that seemed to be that—for this time, for this state. And apparently, too bad.

What were the objections? Some legislators questioned the legality of spending state money for such a private-enterprise-related purpose, though an attorney-general's opinion seemed to clear up this problem. Some legislators simply regarded the expenditure as a waste. Some challenged the plan on other legal grounds, involving the wage-and-hours laws and tax laws (partly because under the plan the youths hired would have been paid union scale in theory but would have been required to agree to turn back to the state payment in excess of $2.50 an hour, with the excess re-channeled back into the program). Some worried about precedent and subsidy and such. One senator objected because a minimum age (18) was stipulated, but no maximum age. Others (male and female) charged that the plan discriminated against females.

THERE WAS A LOT OF SUPPORT, BUT. . . .

So it went. The railroads were ready to cooperate, the Brotherhood of Maintenance of Way Employes (while understandably protecting its contracts) was ready to cooperate, ICC Chairman Van Nostrand and Iowa's governor were backing the program. The central argument, of course, was that Iowa's farmers could get more grain to market faster if key branchlines were repaired and upgraded. But the central argument somehow seemed to be getting lost.

What it may all come down to, therefore, could perhaps be summed up in one senator's dour comment: "If we're going to employ people on the railroads, we ought to have them rip up these tracks and sell them for salvage." Or, to put it another way, Iowa has seen quite a bit of railroad abandonment. It may see more—out of necessity.

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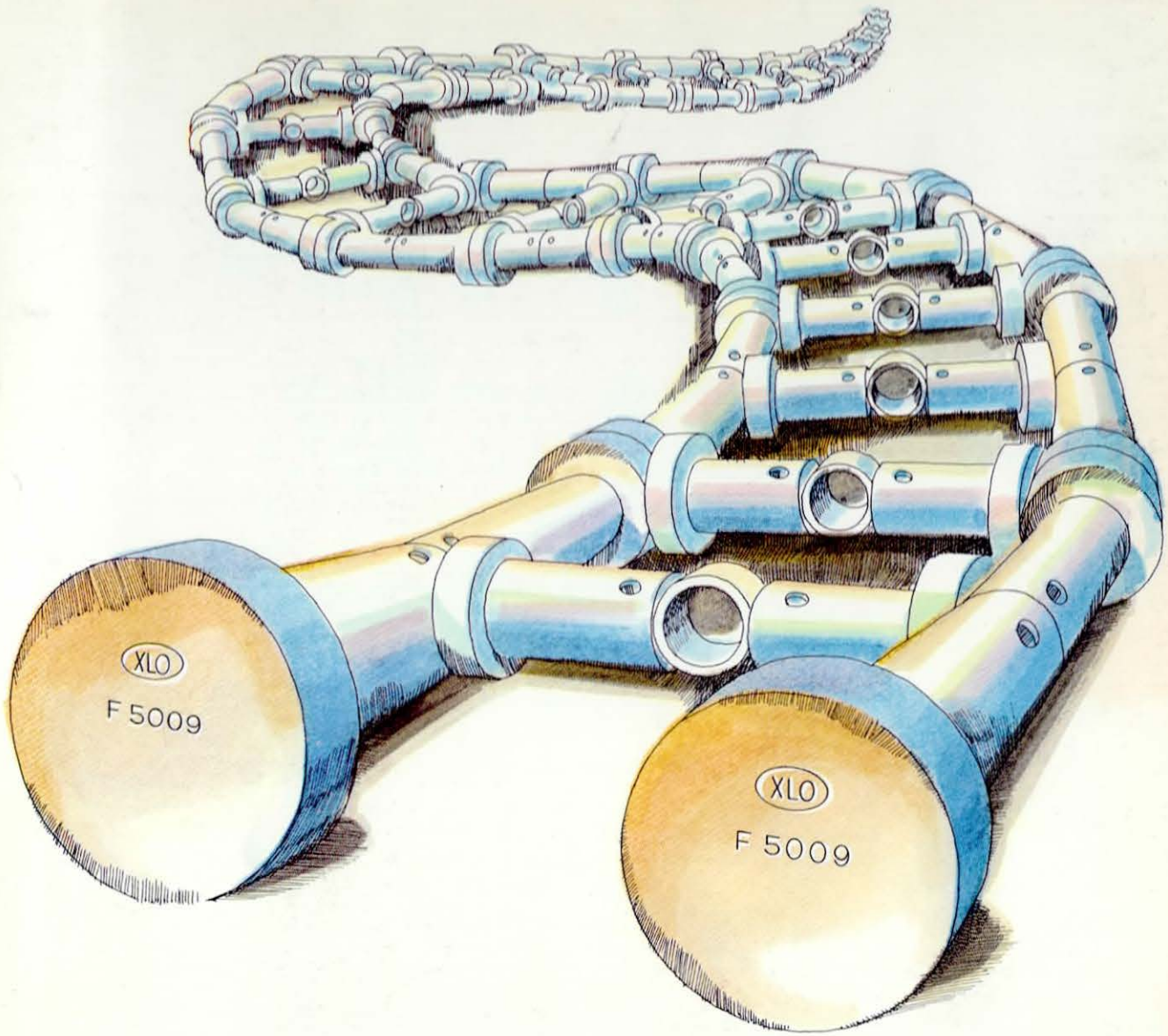

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